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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
DIVISION OF COTTON

INSTRUCTIONS PERTAINING TO 1935 COTTON PRICE ADJUSTMENT PAYMENTS

INTRODUCTION

The following instructions are issued with the force and effect of regulations and unless and until amended by the Secretary of Agriculture shall apply to the operation and administration of the 1935 Cotton Price Adjustment Payment Plan so far as concerns the requirements and functions of the Department of Agriculture.

The objective of the 1935 Cotton Price Adjustment Payment Plan of the Agricultural Adjustment Administration is to assure producers, insofar as possible, a return of 12 cents per pound, basis 7/8-inch middling, for their 1935 cotton crop sold prior to August 1, 1936.

The adjustment payment per pound to each eligible producer making application will be the amount per pound by which the official average price of 7/8-inch middling spot cotton on the ten designated spot cotton markets [1] (hereinafter referred to as the "official average base price"), is below 12 cents per pound on the date of sale of the eligible cotton, but in no case shall the payment per pound exceed 2 cents. In case some or all of the eligible producer's eligible cotton is not sold on or before July 31, 1936, but is at the close of that day under the 10-cent loan, a similar adjustment payment will be made to each eligible producer making application in the amount per pound by which the official average base price is below 12 cents per pound on July 31, 1936, but in no case shall the payment per pound exceed 2 cents.

Producers eligible to participate in the benefits of the cotton price adjustment payment plan are (*a*) those persons by or for whom cotton was produced in 1935 on a farm covered by a 1934 and 1935 Cotton Acreage Reduction Contract (Form No. Cotton 1 or 101) which was complied with in 1935 and who agree to participate in the 1936 Cotton Adjustment Program and (*b*) those persons by or for whom cotton was produced in 1935 on a farm which in 1935 was not covered by such a contract or on which such a contract was entered into but not complied with in 1935 and who agree to participate in the 1936 Cotton Adjustment Program. Producers as used

[1] Norfolk, Augusta, Savannah, Montgomery, New Orleans, Little Rock, Memphis, Houston, Dallas, Galveston. Such official average base price is that announced daily by the Bureau of Agricultural Economics of the United States Department of Agriculture. If no such announcement is made respecting the date of sale because some or all of said markets were closed, the official average base price announced for the next succeeding date for which such announcement is made shall govern.

herein includes landlords, cash tenants, standing-rent tenants, fixed-rent tenants, share tenants, and share croppers.

Eligible cotton is lint cotton produced in 1935 by or for an eligible producer which is not in excess of the producer's 1935 allotment of tax-exempt cotton under the Bankhead Act (subject to the exceptions set forth hereinafter in the Rule for Distribution) and which is either sold in the channels of trade prior to August 1, 1936, or which at the close of July 31, 1936, is under the 1935 10-cent loan.

Payments will be made as soon as practicable after approval of their applications to eligible producers of class (A) on their eligible cotton covered by their applications as approved.

Producers of class (B)—that is, those by or for whom cotton was produced in 1935 on a farm which was not covered in 1935 by a Cotton Acreage Reduction Contract or on which such a contract was entered into but was not complied with in 1935—may make and file applications for cotton price adjustment payments based on their eligible cotton, *but* payment cannot be made to such a producer until he establishes that he has complied in 1936 with a cotton adjustment contract covering the farm on which he operated in 1935 or another farm.

Applications based on cotton sold prior to August 1, 1936, must be made not later than August 15, 1936.

Where some or all of the eligible cotton is not sold on or before July 31, 1936, but is on that date under the 10-cent loan, payments will be made after July 31, 1936, to producers who are eligible, as provided above, on the amount of eligible cotton which at the close of July 31, 1936, is under such loan, but applications based on such cotton must also be made not later than August 15, 1936.

Applications on behalf of all eligible producers on the farm will be made in every case by the person who made the 1935 application for allotment under the Bankhead Act or his successor in interest or by the person designated by the County Committee as hereinafter provided.

See Definitions and Rule for Distribution herein.

Following are answers to some questions which arise in connection with the plan.

QUESTIONS AND ANSWERS

1. Q.—Who is entitled to secure Cotton Price Adjustment Payments?

A.—Any cotton producer whose 1935 production is under a 1934 and 1935 Cotton Acreage Reduction Contract (Form No. Cotton 1 or 101) with the Secretary of Agriculture, which was complied with in 1935, and who agrees to participate in the 1936 Cotton Adjustment Program of the Agricultural Adjustment Administration under the Agricultural Adjustment Act, or as provided under the answer to question 2.

2. Q.—Can any Cotton Price Adjustment Payment be made to a producer on cotton which was produced by or for him on a farm which in 1935 was not covered by a Cotton Acreage Reduction Contract or was covered by such a contract which was not complied with in 1935?

A.—He may make application for such payment, but the application cannot be certified for payment and he cannot receive payment until he has complied in 1936 with a Cotton Adjustment Contract entered into in 1936 covering the farm on which he operates in 1936.

3. Q.—Who makes the application for cotton price adjustment payments?

A.—The person(s) who made the 1935 Bankhead application or his successor in interest will execute Form No. C. A. P. 2.

4. Q.—What will be the rate of payment?

A.—The rate of payment will be the amount per pound, not exceeding 2 cents, by which the official average price of 7/8-inch middling spot cotton on the ten designated spot-cotton markets is below 12 cents on the date of sale of the cotton (or on July 31, 1936, in the case of cotton held at the close of business on that date under the 10-cent loan).

5. Q.—Can an application for cotton price adjustment payments be made if no cotton has been sold?

A.—No; except as provided under the answer to question 6.

6. Q.—What will be the status of cotton remaining unsold at the close of business July 31, 1936, which on that date is under the 10-cent loan?

A.—The producer may, if he is eligible, obtain the cotton price adjustment payment on the amount of such cotton which is eligible under the Rule for Distribution. The rate of payment will be the amount per pound, not exceeding 2 cents, by which the official average price of 7/8-inch middling spot cotton on the ten designated spot-cotton markets is below 12 cents on July 31, 1936. From the total amount of the payment there will be deducted for the benefit of the producer and paid to the lending agency all carrying charges which have accrued against this cotton. If such charges are less than the amount of the cotton price adjustment payment, the difference will be paid to the producer. If such charges are greater, the entire amount of the payment will be applied toward the satisfaction of such charges for the benefit of the producer.

7. Q.—How will cotton price adjustment payments be divided among individual producers on a farm who are entitled to share therein?

A.—One check covering each application (Form No. C.A.P. 2) will be made to the person making the application for the farm and this person as trustee will pay to those entitled to share in this payment their proper share thereof as fixed under the Rule for Distribution.

8. Q.—Can an eligible producer whose total production was less than his 1935 Bankhead allotment secure cotton price adjustment payments on the full amount of his Bankhead allotment?

A.—No. If the total production of such producer is less than his Bankhead allotment he will be entitled to receive the cotton price adjustment payment on his cotton up to his total production which is sold and/or at the close of July 31, 1936, is under the 10-cent loan.

9. Q.—How will a producer furnish acceptable evidence to show the date upon which he sold cotton and the amount sold as a basis for securing cotton price adjustment payments?

A.—The seller will secure from the buyer a Cotton Sale Certificate on Form No. C.A.P. 1, which certificate will show the date of sale, amount of cotton sold, name of the person by or for whom the cotton was produced, buyer's name and signature, and the Bankhead application serial number for the farm on which the cotton was produced.

10. Q.—Where should a producer make application for cotton price adjustment payments?

A.—At the office of the County Agent in the county in which the 1935 Bankhead application was made or such other place as is designated by the County Agent.

11. Q.—Is a producer who secures a 1935 10-cent loan on his cotton eligible to participate in cotton price adjustment payments?

A.—Yes, provided this cotton is eligible and is sold prior to August 1, 1936, or as provided in the answer to question 6.

12. Q.—Can a producer who prior to announcement of the 1935 10-cent loan sold cotton produced by or for him in 1935 secure cotton price adjustment payments on this cotton?

A.—Yes, provided the producer is eligible and such cotton is otherwise eligible and he secures acceptable Cotton Sale Certificates for this cotton and makes application not later than August 15, 1936.

13. Q.—What provision has been made to get cotton price adjustment payments into producers' hands at an early date?

A.—Arrangements have been made for handling and auditing applications in each State office and for issuing checks from field disbursing offices so producers may receive checks promptly.

14. Q.—On what date will payment to a producer who delivers cotton to a cooperative marketing association be based?

A.—On the date on which the price to be paid to the producer is fixed. The producer shall procure from the association a Cotton Sale Certificate executed by the association as purchaser to support his application for a cotton price adjustment payment.

15. Q.—Will a producer be eligible to participate in the benefits of the Cotton Price Adjustment Payment Plan if he has engaged in any hedging operation with respect to his 1935 cotton crop or has entered into a financing arrangement with respect to that crop which involves an agreement to sell all or a part of it at a price agreed upon in such arrangement or to be agreed upon or determined as stipulated in or in connection with such arrangement?

A. Yes. The existence or effect of such a hedging operation or financing arrangement will not be taken into account in determining the eligibility of the producer or the eligibility of cotton produced by or for him in 1935 to participate in the Cotton Price Adjustment Payment Plan. The amount per pound payable in such a case will be determined by applying the definition of "date of sale" herein.

DEFINITIONS

As used in connection with the Cotton Price Adjustment Payment Plan—

The term "date of sale" means the day on which the price to be paid the producer for his cotton by the purchaser is mutually deter-

mined. In case some or all of the ten spot-cotton markets were closed on the date of sale and therefore an official average base price for such markets for that date is not issued by the United States Department of Agriculture, the cotton price adjustment payment will be determined on the basis of the official average base price of 7/8-inch middling spot cotton on said markets for the next succeeding day for which such price is issued.

The term "farm" means a tract or tracts of land covered by a 1935 Application for Allotment and Tax-Exemption Certificates Pursuant to the Cotton Act Approved April 21, 1934, as Amended (Bankhead Act).

The term "allotment", when used with respect to an entire farm, means the total allotment of tax-exempt cotton to the farm made in 1935 under said Cotton Act. When used with respect to a person by or for whom cotton was produced in 1935 on the farm in question the term "allotment" means the total allotment of tax-exempt cotton actually made to such producer in 1935 respecting such farm, i. e., cotton equal to the amount expressed in (1) the total amount of the 1935 cotton tax-exemption certificates issued to him by the State Allotment Board in 1935 respecting such farm, *or* (2) the total amount of the 1935 certificates issued by the State allotment board in 1935 respecting such farm which is eventually determined (pursuant to section 42 (*d*) of the 1935 Regulations Pertaining to Allotments and Tax-Exemption Certificates, B. A. 219, issued under said Act) to be the proper share of the producer in case the certificates were issued to a trustee for him and one or more others under Forms Nos. B. A. 226 and 227, whichever of (1) or (2) is applicable.

The term "final application" means that application which, when taken together with every preceding application respecting the farm, if any was made, (1) accounts for all sales upon which the Cotton Price Adjustment Payment can be paid, made by or for each person entitled to share in such payment respecting the farm, or (2) accounts for all sales made up to the allotment (or production, if production is below the allotment) of each individual entitled to share in such payment respecting the farm, and also establishes the amount of cotton upon which any such individual may subsequently be entitled to share in such payment because he applies the additional share under paragraph 2 (*c*) of the Rule for Distribution to cotton which he has under the 10-cent loan.

The term "producer unit" means any subdivision of a farm which is a subdivision on which cotton was produced in 1935 and which was operated in 1935 by (1) an owner, cash tenant, or standing-rent (fixed-rent) tenant, with his own labor or with hired labor other than share croppers, (2) a share tenant without the aid of any share cropper, or (3) a share cropper. The terms "share tenant" and "share cropper" shall severally be taken to have the meaning ascribed to them in the aforesaid regulations, B. A. 219.

See the definitions of eligible producers and eligible cotton contained in the introduction to this document.

RULE FOR DISTRIBUTION OF COTTON PRICE ADJUSTMENT PAYMENT AMONG PRODUCERS ENTITLED TO SHARE THEREIN

The following rules for making and distributing the 1935 cotton price adjustment payment shall apply:

A. To each person by or for whom cotton was produced in 1935 on the farm covered in 1935 by a cotton acreage reduction contract (Form No. Cotton 1 or 101) which was complied with in 1935 and who agrees to participate in the 1936 Cotton Adjustment Program and who before August 1, 1936, has sold cotton from his 1935 crop, proof of such sale(s) on Form(s) No. C.A.P. 1 being attached to the application(s) (Form(s) No. C.A.P. 2) upon which this cotton price adjustment payment is made, the cotton price adjustment payment shall be made and distributed as follows:

1. The rate of payment shall be the amount per pound by which the official average price of 7/8-inch middling spot cotton on the ten designated spot-cotton markets is below 12 cents per pound on the date of sale of the cotton, provided that in no case shall the rate of payment exceed 2 cents per pound. The amount of payment shall be the product gained by multiplying the number of pounds of eligible cotton by the rate per pound as determined under the provisions of this paragraph. (See definition of "date of sale.")

2. The rate at which such persons shall share shall be determined as follows: In accordance with the following rules set forth in this part "A", the amount of cotton price adjustment payment which may be made respecting the farm shall be determined, then divided among the several producer units in the farm if it was operated in 1935 as two or more producer units, and ultimately divided among the persons by or for whom cotton was produced in 1935 on the farm. If the cotton produced in 1935 on the farm belongs to one person only, he shall be the sole person entitled to share in the cotton price adjustment payment payable in respect of such cotton. Likewise, if the cotton produced in 1935 on any producer unit belongs to one person only, he shall receive the entire amount of the cotton price adjustment payment attributable to such cotton. If two or more persons under their lease or rental or cropping agreement (whether written or oral) share in the cotton crop (or its proceeds) produced on the farm or any producer unit thereof and cotton so produced is sold jointly before dividing it into such shares, the cotton price adjustment payment attributable to such cotton so sold shall be divided among them in the proportion in which they share such cotton crop or its proceeds; but if cotton so produced is divided into such shares and is then sold, each such person shall receive the entire amount of the share of the cotton price adjustment payment attributable to his cotton so sold.

(*a*) In case the total production of the farm is less than the allotment to the farm, then every person on the farm entitled to share in the cotton price adjustment payment shall be entitled to receive the cotton price adjustment payment on all cotton produced by or for him on that farm which was so sold.

(*b*) In case all the persons on the farm produce more than their allotments, then every such person entitled to share in the cotton price adjustment payment shall be entitled to receive the cotton price ad-

justment payment on the total of the cotton produced by or for him on that farm which was so sold up to the amount of his allotment.

(*c*) In case the total production of the farm is more than the allotment to that farm, but one or more persons on the farm entitled to share in the cotton price adjustment payment produce more than their allotment and one or more others produce less than their allotment, then every such person who produces less than his allotment shall be entitled to receive the cotton price adjustment payment on the cotton produced by or for him on that farm and sold up to the total of his production, and every such person who produces more than his allotment shall be entitled to receive the cotton price adjustment payment on the cotton produced by or for him on that farm and sold up to the amount of his allotment. The difference between the total production of such persons who produce less than their allotments and the total of their allotments shall be distributed pro rata to such persons who produce more than their allotments, so as to be available to them in connection with their cotton sold which is in excess of their allotments. Each such person who produces more than his allotment shall, in addition to the payment on his cotton sold within his allotment, be entitled to receive the cotton price adjustment payment on the amount of his cotton sold in excess of his allotment which does not exceed his percentual share of such difference, which percentual share shall be determined by dividing the amount of his production which is in excess of his allotment by the total amount of the production of all such persons which is in excess of their allotments.

(*d*) Standing or fixed-rent tenants shall be entitled to receive the cotton price adjustment payment on the total of their production up to their allotment less the cotton price adjustment payment attributable to the amount of cotton they pay as rent. Landlords of standing or fixed-rent tenants shall be entitled to receive the cotton price adjustment payment on the cotton produced on the farm which they receive as rent, except as provided in paragraph 2 (*f*) hereof.

(*e*) In no event shall any person receive the cotton price adjustment payment on more than the total amount of cotton produced by or for him on the farm.

(*f*) In no event shall the total of the cotton price adjustment payments made to the persons on any farm on account of cotton produced on that farm exceed such payments attributable to the allotment to the entire farm.

(*g*) In no event shall any person receive the cotton price adjustment payment on any cotton sold beyond his allotment except upon a final application on Form No. C.A.P. 2 covering the farm on which his cotton was produced. Final applications will not be accepted after August 15, 1936, and must not cover any sale made after July 31, 1936.

(*h*) In case a cotton crop is acquired before picking by purchase, transfer, or assignment, the person acquiring it shall be entitled to share in the cotton price adjustment payment respecting the farm on which such crop was produced only (1) if he is a person by or for whom cotton was produced in 1935 on such farm or if he acquired the entire cotton crop on such farm at the time of such purchase and only (2) to the extent that through acquiring in connection with such crop

tax-exemption certificates issued or issuable respecting such farm he has succeeded in whole or in part to the 1935 allotment to such farm, and in such case cotton sold from a crop so acquired and covered by tax-exemption certificates so acquired shall be deemed to be cotton produced by or for such person within the meaning of this Rule for Distribution.

(*i*) In case a producer has sold cotton before the Cotton Sale Certificate, Form No. C.A.P. 1, was available in his county, to a purchaser whose identity or address is now unknown to him and such producer is therefore now unable to obtain the execution by such purchaser of a Form No. C.A.P. 1 covering the cotton so sold, such producer may obtain a Form No. C.A.P. 1 covering such cotton upon his executing and filing an affidavit in support of the application establishing the date and amount of each such transaction together with gin tickets covering the ginning of such cotton, or in the absence of gin tickets (because of destruction, loss, or nonissuance) a signed statement from the person ginning such cotton. Unless the County Committee or County Agent has reason to believe that such affidavit fails to establish such transaction they shall execute for such producer a Form No. C.A.P. 1 covering such transaction on which shall be written a statement signed by at least two disinterested members of the County Committee, the County Agent, and such producer, as follows: "Cotton purchased by a buyer whose identity and/or address is now unknown to said seller." Such Form No. C.A.P. 1 so executed with such affidavit attached shall be deemed to establish such transaction.

3. From the amount of the share of this cotton price adjustment payment due any person entitled to share therein the person who is named as payee in the check for this cotton price adjustment payment may deduct and retain for himself as a credit against the account a sum equivalent to the unpaid amount of any cash and/or the fair value of any supplies or other benefits advanced by him to such person solely for the making of his 1935 cotton crop if the amount so deducted does not include any charge representing excessive interest or excessive profit on furnishings, provided that if such person is a share tenant or share cropper who has abandoned his 1935 crop or has died or disappeared or become incompetent or who refuses to sign in Form No. C.A.P. 3 such creditor may make such deduction only if he attaches to his report of distribution on Form No. C.A.P. 3 an itemized statement of such account showing all debits and credits (which shall include no charge representing excessive interest or excessive profit on furnishings) and such itemized statement and deduction is approved by the County Committee and the County Agent.

4. Wherever it is shown that the payee of a cotton price adjustment payment check has refused or failed to distribute such payment in accordance with the rules set forth in this Rule for Distribution, (1) no further application for payment on Form No. C.A.P. 2 executed by such person shall be approved or received, no check shall be issued or delivered to such person after the date such showing is made, and no share of the cotton price adjustment payment payable under any application made respecting the farm subsequent to the application as to which he so refused or failed to distribute the payment shall be paid to such person, (2) he shall be required to refund

to the United States forthwith the amount which he so refused or failed to distribute, which when received shall be paid over to the person(s) to whom he so refused or failed to distribute it, (3) any amount which he fails so to refund to the United States shall be deducted from any share(s) of any cotton price adjustment payment(s) which otherwise would come to him and/or from any payment(s) which may be or become due to him under a 1934 and 1935 Cotton Acreage Reduction Contract (Form No. Cotton 1 or 101) and/or a contract under the Cotton Adjustment Program for 1936–39. In case of such refusal or failure, the County Committee shall forthwith designate another producer on the farm in question to make any further application respecting such farm for payment on Form No. C.A.P. 2 and to receive and distribute payment thereunder and to make anew any application for payment on Form No. C.A.P. 2 respecting such farm upon which payment is stopped under the foregoing rule and to receive and distribute the payment made under such renewed application. The County Committee shall similarly designate another producer on the farm and/or his successor in interest to make any application or applications in case the person who made the 1935 Bankhead application respecting a farm has been succeeded in interest by another person or is or becomes unable or unwilling to file the application in good season.

B. To each person by or for whom cotton was produced in 1935 on the farm which in 1935 was not covered by a cotton acreage reduction contract (Form No. Cotton 1 or 101) or on which such a contract was not complied with in 1935 and who agrees to participate in the 1936 Cotton Adjustment Program and who before August 1, 1936, has sold cotton from his 1935 crop, proof of such sale(s) on Form(s) No. C.A.P. 1 being attached to the application(s) upon which this cotton price adjustment payment was made, the cotton price adjustment payment shall be made after July 31, 1936, provided such person has furnished proof that he has complied with a cotton contract in the 1936 Cotton Adjustment Program on the farm on which he is operating in 1936, and such payment shall be made and distributed in accordance with the rules set forth in part "A" hereof.

C. To each person by or for whom cotton was produced on the farm in 1935 and who has not sold such cotton prior to August 1, 1936, but at the close of July 31, 1936, has some or all of such cotton under the 10-cent loan, the cotton price adjustment payment shall upon application be made as if the cotton then under loan had been sold on July 31, 1936, and shall be distributed in accordance with the rules set forth in part "A" hereof, *provided* (1) such person has furnished proof that he is participating in the 1936 Cotton Adjustment Program, (2) there shall be deducted from such person's share of the cotton price adjustment payment and paid to the lending agency for the benefit of such person all carrying charges to be borne by such person which have accrued against such cotton up to and including July 31, 1936, and if such charges are less than the amount of the cotton price adjustment payment the difference will be paid to such person but if such charges are greater than the amount of such payment no payment will be made hereunder to

such person, and (3) the amount of the cotton on which payment may be made to such person under this part "C" when added to the amount of the cotton on which payment is made to such person under part "A" hereof shall not exceed the amount of cotton on which such person could be paid if all of his eligible 1935 cotton crop had been sold prior to August 1, 1936, and he were paid therefor solely under part "A" hereof.

FORMS TO BE USED

The principal forms to be used in connection with the Program are:

Form No. C. A. P. 1.—Cotton Sale Certificate.
Form No. C. A. P. 2.—Application for Cotton Price Adjustment Payment and Agreement to Cooperate in the 1936 Cotton Adjustment Program.
Form No. C. A. P. 2–A.—Continuation Sheet for Table Under Section I of Form No. C. A. P. 2.
Form No. C. A. P. 2–B.—Continuation Sheet for Table Under Section II of Form No. C. A. P. 2.
Form No. C. A. P. 3.—Receipt for and Report of Distribution of Cotton Price Adjustment Payment.
Form No. C. A. P. 4.—Record of Farm and Producer's Applications.
Form No. C. A. P. 5.—Instructions Pertaining to 1935 Cotton Price Adjustment Payments.
Form No. C. A. P. 6.—Ledger card (Hand posting).
Form No. C. A. P. 7.—Ledger card (Machine posting).
Form No. C. A. P. 8.—Register of Transactions.
Form No. C. A. P. 9.—Control Card (Hand posting).
Form No. C. A. P. 10.—Control Card (Machine posting).
Form No. C. A. P. 11.—Transmittal Sheet for Form No. C. A. P. 2.
Form No. C–125.—Schedule of Payments.

MAKING OUT FORMS

All forms executed after these printed instructions are available in the field should be filled out on typewriter or in ink or indelible pencil. All signatures must be original handwritten signatures and should be made in ink or indelible pencil.

Every producer who sells cotton produced by or for him in 1935 for which he intends to apply for the cotton-price-adjustment payment should have the purchaser execute Form No. C.A.P. 1, Cotton Sale Certificate, in triplicate. Each such producer who has already marketed cotton from his 1935 crop will be required to obtain from the purchaser of that cotton a Form No. C.A.P. 1 properly executed respecting such cotton. These certificates will be used to support the application for cotton-price-adjustment payments, in order to establish the fact that a certain amount of cotton belonging to a certain person or certain persons was sold on a certain date.

If the Cotton Sale Certificate is executed by an authorized officer or employee of the purchaser and the signature of the purchaser is not written in the hand of such officer or employee, such signature should be followed by the word "By" and the handwritten signature of such officer or employee.

If the person buying cotton acts for the purchaser as agent, broker, or factor, the Cotton Sale Certificate shall be executed by such person by signing his name as purchaser followed by the word "agent", "agents", "broker", "brokers", "factor", or "factors", as the case may be, so that it will not be necessary for the agent, broker,

or factor to disclose the name of the actual purchaser, so long as records are maintained by which the actual transaction of sale can be established. For example, if an agent, broker, or factor acts for John W. Smith & Co., which is the purchaser, the Cotton Sale Certificate will be signed by A. B. Brown, Agent, or C. D. Brown & Co., Broker, or Jones & Richards, Factors, as the case may be.

The Cotton Sale Certificate *must* be executed so that the cotton sold can be identified and the transaction of sale is clearly established and shall show as the seller of the cotton which is covered by the certificate at least one of the parties who had an interest in such cotton (such as landlord, share tenant, share cropper, or a partner or co-owner) if the person by or for whom the selling was done did not own the whole of the bale(s) at the time of the sale. Since the purchaser of the cotton (or his agent, broker, or factor) is ordinarily not in position, where the cotton is owned by two or more persons (such as landlord and share tenant, landlord and share cropper, or partners or co-owners), to certify to the ownership of each or his proportionate interest, his certification as to these points would ordinarily not be acceptable as conclusive of the facts. The actual facts as to the ownership and the number of pounds of cotton representing the interest of each person interested in the cotton covered by a Cotton Sale Certificate are required to be shown and agreed upon in the report of the distribution of the cotton price adjustment payment made (Form No. C.A.P. 3) respecting the cotton covered by the particular Cotton Sale Certificate, so that the exact and agreed upon interest of each person in that cotton is established. If these facts are not clearly established further evidence will be required. Attention is directed to the warning contained in Form No. C.A.P. 2 as to the applicability of criminal provisions of the United States Code in case of fraud or attempt at fraud in connection with applications for cotton price adjustment payments.

Where the landlord of a standing or fixed-rent tenant sells eligible cotton received by him in payment of the standing or fixed rent the Cotton Sale Certificate submitted shall show such landlord as the seller of such cotton, and the application respecting such rent cotton shall be made by the person entitled to make the application respecting the farm on which such cotton was produced, and such applicant shall receive the payment attributable to such cotton as trustee to distribute to such landlord the cotton price adjustment payment in respect of such cotton, in order that the necessary facts as to the source and eligibility of such cotton may be readily ascertained.

The originals of Cotton Sale Certificates shall be promptly filed with the County Agent in the chronological order of sales made by or for the seller(s) identified by them and shall be attached to the appropriate application Form No. C.A.P. 2 in the order so filed.

Each Form No. C.A.P. 2, Application for Cotton Price Adjustment Payment and Agreement to Cooperate in the 1936 Cotton Adjustment Program will cover a farm as defined above, and may cover all or only a part of the eligible cotton produced on the farm. Application on Form No. C.A.P. 2 may be made more than once for a farm if all the eligible cotton from the farm is not sold in time to be covered by one application. The applications must be

marked "first", "second", etc., or "final", as the case may be, in the space provided on the first page. It is preferred that wherever possible not more than three applications on Form No. C.A.P. 2 be made for each farm.

In every case the producer who makes and signs an application for a farm *must be* the person who respecting that farm made application for allotment and tax-exemption certificates under the Bankhead Act in 1935, or his successor in interest, *unless* the case comes under paragraph 4 of the Rule for Distribution. If the person who made application under the Bankhead Act has died, disappeared, or is disabled or absent from the county, or there has been a change of his legal relation to the farm, or he is unwilling to make the application, the County Committee and County Agent shall approve Form No. C.A.P. 2 executed by his successor in interest or by another producer on the farm if they satisfy themselves that such applicant is such successor in interest or is another producer on the farm, and such applicant is under the circumstances a proper person to make such application, and their approval of such an application shall be accepted as their finding to such effect.

The originals of all Forms No. C.A.P. 1 for the farm executed by purchasers up to the time application is made shall be assembled by the person making the application and attached to Form No. C.A.P. 2, which will be executed by him in triplicate. The original and one copy shall be delivered to the County Agent's office and one copy shall be retained by the producer making application, who shall make it available upon request for examination by every other person having a right to share in payments which will be made respecting cotton produced on the farm.

The data on Form No. C.A.P. 1 will be used in preparing Form No. C.A.P. 2, and all Forms No. C.A.P. 1 executed in respect to cotton produced on a farm up to the date of the execution of Form No. C.A.P. 2 will be attached to the original of Form No. C.A.P. 2. If the space provided in the table under Section I of Form No. C.A.P. 2 is not sufficient, one or more continuation sheets, Form No. C.A.P. 2–A, should be attached.

Data recording and summarizing applications respecting the farm and showing the total allotment to and the total production of the farm shall be entered from Form No. C.A.P. 2 in the County Agent's office on Form No. C.A.P. 4, Record of Farm and Producer's Applications, and on this form there shall likewise be entered data pertaining to the production, allotment, and sales of cotton of the individuals on the farm.

The original and the filed copy of Form No. C.A.P. 2 will, when found correct and acceptable under these instructions, be certified to by the County Committee and approved by the County Agent, and the original forwarded to the State office. The certified copy will be retained in the County Agent's office. Copies of the Transmittal Sheets, Form No. C.A.P. 11, and instructions for their use will be supplied to each county office. The Continuation Sheet, Form No. C.A.P. 2–B, will be used only in the State office.

These Forms No. C.A.P. 2 will be audited in the State office and when found correct and approved will be certified for payment. Checks covering cotton price-adjustment payments will be sent to

the County Agent's office direct from the field disbursing office for delivery to the signers of Forms No. C.A.P. 2.

Every payee named in the check is required to receipt for the check on the special receipt form prescribed for this purpose, Form No. C–125, Schedule of Payments.

If any check is issued on an application the payment under which is to be divided between two or more persons (which will be indicated in Form No. C.A.P. 2), the receipt for it will be taken on Form No. C–125 and *also* on Section I of Form No. C.A.P. 3, Receipt for and Report of Distribution of Cotton Price Adjustment Payment, and the timely execution and return of Section II of that form shall be required.

Before a subsequent check is delivered to a person who signed Form No. C.A.P. 3 that person must make proper showing on Form No. C.A.P. 3 regarding distribution of the previous check he received. The County Committee, County Agent, and all others concerned in the administration of the Cotton Price Adjustment Payment Plan shall cooperate in carrying out the provisions of the Rule for Distribution.

It is expected that checks will be delivered to producers who have already made sales as soon as possible after December 15, 1935, and on subsequent sales will be delivered on or about March 15, 1936, and August 15, 1936, depending on the date Form No. C.A.P. 2 is filed.

APPROVAL OF FORMS NO. C. A. P. 1 AND 2 IN COUNTY OFFICE

Forms No. C.A.P. 1 and 2 if found correct and in order may be approved by the County Committee and County Agent without regard to total poundage or total payment involved if they are certain that the case comes under paragraph 2 (*a*) and not under either paragraph 2 (*b*) or paragraphs 2 (*c*) and (*g*) of the Rule for Distribution.

If paragraph 2 (*a*) of the Rule for Distribution applies and the Forms No. C.A.P. 1 and 2 are *not* final for the farm, and any one or more of the individual producers whose cotton is covered by a Form No. C.A.P. 2 have included therein Forms No. C.A.P. 1 covering the sale of cotton in excess of his or their individual allotments, the County Agent and County Committee will write on Form(s) No. C.A.P. 1 covering cotton in excess of the individual's allotment a statement signed by at least two members of the County Committee and approved by the County Agent, as follows: "Certificate approved for ____ pounds only, because of paragraph 2 (*a*) of Rule for Distribution." Under such a condition the amount for which the certificate(s) of the producer must be approved will be the amount of such individual producer's allotment.

If paragraph 2 (*b*) applies, no Form No. C.A.P. 1 which covers cotton all of which is beyond the producer's allotment shall be attached to or covered in Form No. C.A.P. 2, and any Form No. C.A.P. 1 which covers cotton, part of which is beyond the producer's allotment shall be endorsed with a statement signed by at least two disinterested members of the County Committee and approved by the County Agent, reading as follows: "Certificate ap-

proved for ____ pounds only because of paragraph 2 (*b*) of Rule for Distribution: ____ pounds disallowed." And the amount for which the certificate is approved shall be such amount as when added to previous or preceding Forms No. C.A.P. 1 of such producer will equal his allotment.

If paragraph 2 (*c*) applies and the Forms No. C.A.P. 1 and 2 are *not* final for the farm and any one or more of the individual producers whose cotton is covered by a Form No. C.A.P. 2 has included therein any one or more Forms No. C.A.P. 1 covering his cotton which will bring him in excess of his individual allotment, the County Committee and County Agent will write on each such Form No. C.A.P. 1 of such producer a statement signed by at least two disinterested members of the County Committee and approved by the County Agent, as follows: "Certificate approved for ____ pounds only because of paragraph 2 (*c*) of Rule for Distribution: ____ pounds withheld." If any such Form No. C.A.P. 1 is for cotton all of which is in excess of such producer's allotment, the statement will recite that it is approved for *no* pounds and the amount withheld will be the total number of pounds shown in the certificate. Under the condition described in this paragraph the amount for which the certificate must be approved will be the amount which brings such individual up to but not exceeding his allotment. The poundage withheld will be the difference between such allotment and the total poundage of cotton included on Forms No. C.A.P. 1 covering cotton of such individual producer attached to the Form No. C.A.P. 2 submitted. The County Agent will enter such record in a blank column provided on Form No. C.A.P. 4. In order that cotton price adjustment payment may be made on such poundage withheld, up to the total allotment to the farm, in accordance with paragraphs 2 (*c*) and (*g*) of the Rule for Distribution and such payment distributed as provided in paragraph 2 (*c*) of the Rule for Distribution, there will be considered in connection with the final Form No. C.A.P. 2 for the farm whatever Forms No. C.A.P. 1 of such producer contain a reservation of a number of pounds withheld, and a special certificate prepared in the County Agent's office on a Form No. C.A.P. 1. Such special certificate will bear a statement signed by at least two disinterested members of the County Committee and approved by the County Agent, as follows: "This amount withheld from prior application transmitted on _____, Transmittal Sheet No. _____." (Date)

If there is any question which one of paragraphs 2 (*a*), (*b*), or (*c*) applies to a particular farm, any Form No. C.A.P. 1 which shows an amount of cotton sold in excess of the producer's allotment shall bear a statement signed by at least two disinterested members of the County Committee and approved by the County Agent, as follows: "Certificate approved for ____ pounds only because of applicable paragraph 2 (*a*), (*b*), or (*c*) of Rule for Distribution being now unknown."

The County Committee and County Agent shall withhold action on any Form No. C.A.P. 2 coming under part "B" of the Rule for Distribution (that is, one covering a farm (1) which was not covered in 1935 by a 1934 and 1935 Cotton Acreage Adjustment Contract (Form No. Cotton 1 or 101), or (2) as to which compliance in 1935 with such

a contract has not been established) until all Forms No. C.A.P. 2 coming under part "A" thereof (that is, those covering farms on which there has been compliance in 1935) have been passed upon by them. Thereupon they shall examine such applications coming under said part "B", and each such application which is found to be otherwise acceptable shall be approved for payment, *subject to* the furnishing in 1936 of proof of compliance by the applicant with a Cotton Adjustment Contract under the 1936 Cotton Adjustment Program covering the farm operated in 1936 by the producer who signed such application. Before any such Form No. C.A.P. 2 is transmitted to the State Office it shall be separately scheduled as an application governed by part "B" of the Rule for Distribution and shall be stamped or be marked across its face with the following in red ink or pencil: "1935 Nonsigner" or "1935 Non-Compliance", as the case may be. Such applications will be held in the State office, and no payment on any such application shall be approved or made until proof of such compliance in 1936 by the applicant is furnished.

The total farm production must be entered in the space provided on the first page of all "final" Forms No. C.A.P. 2 before approval.

DISTRIBUTION OF PAYMENTS

Forms No. C.A.P. 3 will be prepared in the County Agent's office showing the amount of payment to be distributed to each individual producer listed thereon. This will necessitate a complete tabulation of all necessary data on Form No. C.A.P. 4. There shall be shown in Form No. C.A.P. 3 the exact and agreed-upon number of pounds representing the interest of each person who as producer (such as landlord and share-tenant, landlord and share-cropper, partners, or co-owners, or landlord alone, share-tenant alone, etc.) had at the time of sale an interest in cotton sold by or for him which is covered by a Cotton Sale Certificate included in the application in respect of which Form No. C.A.P. 3 is executed.

The terms "excessive profits" and "excessive interest", as used in the Rule for Distribution and in the notes to the schedule in Form No. C.A.P. 3, mean, respectively, profits and interest in excess of what is regarded generally in the particular community as fair and reasonable in the circumstances of such a case.

There is given below a summary and two examples pertaining to the distribution of payments.

EXAMPLE 1.—*Two persons produce less and three persons produce more than their respective 1935 Bankhead allotments on the farm and the cotton produced on a share basis is sold jointly by tenant and landlord, assuming total 1935 farm allotment 10,000 pounds and total 1935 production 12,000 pounds*

(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Name	Sales		Total production of individual tract	Allotment to individual tract	Adjustment payment per pound	Payment allocated to individual tract	Adjusted allotment in excess of allotment to individual tract	Payment on adjusted allotment to individual tract	Total payment allocated to individual tract	Division of crop			Payment to landlord or owner-operator	Payment to tenant or cropper	Payment to tenant-operator
										Landlord	Tenant or cropper	Tenant-operator			
	Date	*Pounds*	*Pounds*	*Pounds*	*Cents*	*Dollars*	*Pounds*	*Dollars*	*Dollars*				*Dollars*	*Dollars*	*Dollars*
J. E. Bangs (operator)	8-12-35	1,000	2,500	2,000	1.00	10.00				1					
	10-17-35	1,500			1.50	15.00	167	2.50	27.50		0	0	27.50	0	0
Ira Jones	9-19-35	500	1,000	1,500	1.00	5.00									
	10-24-35	500			2.00	10.00	0	0	15.00	¼	¾	0	3.75	11.25	0
Burt Guy	10-2-35	1,600	2,500	1,500	2.00	30.00	100	2.00							
	10-28-35	900			1.00		233	2.33	34.33	½	½	0	17.16	17.17	0
Ed Rowe	10-9-35	1,500	4,000	2,500	2.00	30.00									
	11-8-35	1,500			1.00	10.00	500	5.00	45.00	¼	¾	0	11.25	33.75	0
Oscar Page	9-8-35	1,000	2,000	2,500	1.50	15.00									
	11-2-35	1,000			.75	7.50	0	0	22.50	⅓	⅔	0	7.50	15.00	0
Total		11,000	12,000	10,000		132.50	1,000	11.83	144.33				67.17	77.16	0

EXAMPLE 2.—*The 1935 cotton crop produced on tracts nos. 2, 3 and 4 is sold individually by tenant and landlord and cotton on tract no. 5 is sold jointly by tenant and landlord, assuming total 1935 farm allotment 10,000 pounds and total 1935 production 12,000 pounds*

(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Producer units and names of person(s) by or for whom cotton is produced	Sales		Total production of individual tract	Allotment to individual tract	Adjustment payment per pound	Payment allocated to individual tract	Adjusted allotment in excess of allotment to individual tract	Payment on adjusted allotment to individual tract	Total pay ment allocated to individual tract	Division of crop			Payment to landlord	Payment to tenant or cropper	Payment to tenant-operator
										Landlord	Tenant or cropper	Tenant-operator			
	Date	*Pounds*	*Pounds*	*Pounds*	*Cents*	*Dollars*	*Pounds*	*Dollars*	*Dollars*				*Dollars*	*Dollars*	*Dollars*
Producer Unit No. 1: Joe E. Adams (Operator)	9–10–35	2,500	2,500	2,000	1.00	20.00	167	1.67	21.67	1	0	0	21.67	0	0
Producer Unit No. 2:															
Sam Jones (Tenant)	9–16–35	750	1,000	1,125	1.00	7.50	0	0	7.50	¼	¾	0		7.50	0
Joe E. Adams (Landlord)	10– 4–35	250		375	2.00	5.00	0	0	5.00				5.00		
Producer Unit No. 3:															
Roy Gaines (Cropper)	10– 9–35	1,250	2,500	750	1.50	11.25	166	2.49	13.74	½	½	0		13.74	0
Joe E. Adams (Landlord)	10–25–35	1,250		750	.75	5.62	167	1.25	6.87				6.87		
Producer Unit No. 4:															
Jim Carver (Tenant)	8–26–35	500	4,000	1,875	1.50	7.50				¼	¾	0			0
	9–10–35	1,500			1.25	17.19	375	1.56							
	10–10–35	1,000			1.75			4.37	30.62					30.62	
Joe E. Adams (Landlord)	9–15–35	500		625	.75	3.75									
	9–25–35	500			2.00	2.50	125	2.50	8.75				8.75		
Producer Unit No. 5: Bud Nix-Joe E. Adams	10– 8–35	2,000	2,000	2,500	1.50	30.00	0	0	30.00	⅓	⅔	0	10.00	20.00	0
Total		12,000	12,000	10,000		110.31	1,000	13.84	124.15				52.29	71.86	0

Example 1 illustrates a case where the 1935 cotton crop was produced on five producer units on the farm. That cotton which was produced by share tenants or share croppers was sold jointly by the tenant or cropper and the landlord. In such cases, the payment attributable to the producer unit is first determined and then such payment is divided between the landlord and the tenant or cropper in the proportion in which each shares in the cotton crop produced on such producer unit. It will be observed that the total farm production is in excess of the Bankhead allotment to the farm. However, two of the tenants had a combined total production on their producer units of 1,000 pounds less than their Bankhead allotments.

After the last bale of cotton was sold, it was possible for the operator to make final application on Form No. C.A.P. 2, following which the distribution of the 1,000 pounds of cotton to the remaining producer units could be determined. The poundage of this cotton allocated to each producer unit showing a production in excess of its allotment is determined upon the basis of its percentage contribution to the combined excess production on all such tracts. The production on the producer units in excess of their allotments amounted to 3,000 pounds. To this excess, J. E. Bangs contributed 500 pounds or 16⅔ percent, which, when multiplied by the 1,000 pounds, indicates that the tract is entitled to receive adjustment payments on 167 pounds of such excess. Burt Guy's tract contributed 1,000 pounds or 33⅓ percent toward the excess, and would be credited with 333 pounds. Also Ed Rowe's tract contributed 1,500 pounds, or 50 percent, toward the excess and would be credited with 500 pounds.

The cotton price adjustment payment, as shown in column 8, cannot be made except upon a final application. In other words, the total payment which may be made to each producer unit on any application except the final application cannot exceed the amount to such producer unit shown in column 6.

In some cases, the total production of the individual tract (Col. 3) may exceed the pounds sold (Col. 2). In no case will payments be made on cotton which is not sold, except where eligible cotton is under the 10-cent loan on August 1, 1936. However, the total cotton production of each tract (whether or not such cotton is sold) should be used in arriving at "Adjusted allotment in excess of allotment to individual tract" (Col. 7).

Example 2 illustrates a case where, on three producer units, the landlord and tenant or cropper sold their respective shares separately and on one producer unit the landlord and tenant sold the crop jointly. In such cases the total payment to the individual producer unit is first determined. The total payment attributable to the cotton sold from each of the tracts No. 2, 3, and 4 should be divided by the landlord and tenant or cropper so that each receives the full amount of the adjustment payment payable on account of his eligible cotton sold from that tract. The cotton crop, produced on unit No. 5, was sold jointly by the landlord and the tenant and the payment attributable to the tract should be divided between them in the proportion in which they had shared in such crop.

In some cases the total production of the individual tract (Col. 3) may exceed the pounds sold (Col. 2). In no case will payments be made on cotton which is not sold except where eligible cotton is under the 10-cent loan on August 1, 1936. However, the total cotton pro-

duction of each producer unit (whether or not such cotton is sold) should be used in arriving at "Adjusted allotment in excess of allotment to individual tract" (Col. 7).

In some cases the tenant may have sold all of his share of the cotton, which share may have exceeded the Bankhead allotment to his producer unit and an application for a cotton price adjustment payment may have been executed respecting the farm before the landlord of such tenant sold any of his share. Nevertheless the tenant should receive only that portion of the payment attributable to the sale of so much of his cotton as is not in excess of his share of the Bankhead allotment to the producer unit.

SIGNATURES

The requirements and procedure set forth in Form No. AAA 331, "Instructions on Signatures and Authorizations in Connection with the Execution of Rental and Benefit Contracts and/or Related Papers," shall be observed and followed in each case of the kinds set forth therein, so far as concerns the operation and administration of the 1935 Cotton Price Adjustment Payment Plan by the Department of Agriculture and field officials, employees, or committees under or answerable to this Department, unless these instructions specify otherwise.

If a County Agent desires to delegate to a person employed in his office authority to affix the County Agent's signature to documents relating to the Cotton Price Adjustment Payment Plan, which the County Agent has examined and approved, he may do so by executing in triplicate an authorization in writing in the form shown below and delivering the original to the State office, handing the duplicate to the person so delegated, and retaining the triplicate in the County Agent's files. The duplicate shall be taken up and the authorization canceled by written notice to the State office as soon as need for such delegation has ceased to exist. The form employed shall be substantially as follows:

"I, County Agricultural Agent for the county of _____, State of _____, do hereby authorize _____, employed in my office, to affix my signature to any document approved by me in connection with the administration of the 1935 Cotton Price Adjustment Payment Plan, this authorization to remain in effect while said person is employed in my office, unless sooner canceled or revoked by me in writing.

"Following is a specimen of my signature as executed by said person: _____.

"Cancelation or revocation of this authorization will be accomplished by notifying my State office in writing that this authorization is thereby canceled or revoked and filing a copy of such notice in my office and handing a copy thereof to said person if he is then employed in my office.

"Dated _____, 193__.

_____.
"(Signature of County Agent)"

Such further instructions or modifications of or amendments to the foregoing instructions as are found to be necessary will be issued from time to time.

U. S. GOVERNMENT PRINTING OFFICE: 1935

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CAP-100 Issued September 9, 1937

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

1937 COTTON PRICE ADJUSTMENT PAYMENT PLAN ANNOUNCEMENT

[COTTON PRICE ADJUSTMENT PAYMENT BULLETIN 100]

CONTENTS

THE PROVISION CONTAINED IN THE THIRD DEFICIENCY APPROPRIATION ACT, FISCAL YEAR 1937, APPROVED AUGUST 25, 1937 (PUB. 354, 75TH CONG.), FOR PRICE ADJUSTMENT PAYMENTS TO COTTON PRODUCERS, AND THE CONDITIONS UNDER WHICH PAYMENTS WILL BE MADE

The Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937 (Public No. 354, 75th Congress), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes, contains the following provision:

"PRICE ADJUSTMENT PAYMENT TO COTTON PRODUCERS

"Notwithstanding any other provisions of section 32 of Public Law Numbered 320, Seventy-fourth Congress, as amended, not to exceed $65,000,000 of the funds available under said section 32 in each of the fiscal years 1938 and 1939 shall be available (at such times and in such amounts as the Secretary of Agriculture may determine) until expended for a price-adjustment payment, upon such terms and conditions as the Secretary of Agriculture may determine, with respect to the 1937 cotton crop to cotton producers who have complied with the provisions of the 1938 agricultural adjustment program formulated under the legislation contemplated by Senate Joint Resolution Numbered 207, Seventy-fifth Congress. Such payments to any producer shall be at a rate per pound equal to the difference between 12 cents per pound and the average price of seven-eighths Middling cotton on the ten designated spot cotton markets on the dates of sale of such cotton, but in no case shall exceed 3 cents per pound. The bases for any such payment, or the amount thereof, when officially determined in conformity with rules prescribed by the Secretary of Agriculture shall be reviewable only by the Secretary of Agriculture."

This provides for a cotton price adjustment payment plan somewhat similar to the 1935 Cotton Price Adjustment Payment Plan,

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the object of which was to assure to the producers of cotton an average return of 12 cents per pound for their 1935 crop. The 1935 plan was drafted with regard to the 1935 crop under clause (3) of section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as it then stood and was conditioned on applicants for payment undertaking to comply with the requirements of the 1936 Cotton Acreage Adjustment Program formulated under section 8 (1) of the Agricultural Adjustment Act of 1933, as amended. Before payments could be made under the plan the Supreme Court of the United States handed down its decision in the Hoosac Mills case invalidating that program. In Public Law No. 440, Seventy-fourth Congress, approved February 11, 1936, the Congress authorized the carrying out of the plan after omitting the requirement as to cooperation in the 1936 Cotton Acreage Adjustment Program which was abandoned in light of the Supreme Court decision.

The proposed payment plan for the 1937 crop embraces six principal features.

First, $130,000,000 is made available for payments, being $65,000,000 for each of the fiscal years 1938 and 1939, out of the funds heretofore made available under section 32 of said Public Law No. 320, as amended. The first $65,000,000 is now available and the second $65,000,000 becomes available July 1, 1938. Under the 1935 plan $50,000,000 was allocated and $39,756,248.81 was paid to producers up to July 31, 1937, on approximately 3¾ billion pounds of cotton at an average price of 1.059 cents per pound.

Second, the adjustment payment will be made, upon application therefor, only to producers who submit proof of compliance with a 1938 agricultural adjustment program which is to be formulated under legislation to be enacted as contemplated by Senate Joint Resolution No. 207, Seventy-fifth Congress, which was approved August 24, 1937 (Public Resolution No. 69). Such proof could not, of course, be furnished earlier than late in the spring of 1938 in any region.

Third, payment to an individual producer will be made with respect to his 1937 cotton production sold prior to July 1, 1938, on 65 percent of his base cotton production which was or could have been established under the 1937 Agricultural Conservation Program or such higher percentage of such base production which, in the light of estimated participation in the 1938 Agricultural Adjustment Program, sales from the 1937 cotton crop, average prices in the ten designated spot markets, and other pertinent data, will result in cotton price adjustment payments aggregating approximately $130,000,000.

Fourth, the adjustment payment per pound will be the amount per pound by which the official average price of ⅞-inch middling spot cotton on the ten designated spot cotton markets (Norfolk, Augusta, Savannah, Montgomery, Memphis, New Orleans, Little Rock, Houston, Dallas, and Galveston) is below 12 cents per pound on the date of sale of the producer's cotton, but in no case shall the payment per pound exceed 3 cents. The payment respecting sales on any date will apply to all cotton sold on that date, irrespective of the selling price received by any producer for his cotton or its grade and staple.

Fifth, the adjustment payment will be made only with respect to the portion of the 1937 cotton crop which is actually sold prior to July 1, 1938. Under the 1935 plan, provision was made whereby cotton under the 10-cent Government loan on July 31, 1936, the last day for sales if the cotton was to be eligible for the adjustment payment, was to be treated as if sold on that date. This provision, however, was inoperative because the official average base price was above 12 cents on such date. The sales of cotton contemplated by the 1937 plan must be bona fide sales made in the usual course of business.

Sixth, the adjustment payment will be made to each producer upon the facts established in an approved application executed by him with respect to his individual cotton. Individual Government checks for the amount of the payment approved will be issued to each applicant.

Cotton producers who desire to take advantage of the cotton price adjustment payment plan outlined herein will be required to support their applications with the original cotton sale certificates or sales receipts for all of their 1937 cotton crop sold prior to July 1, 1938. Where receipts are obtained from the purchaser, these receipts must show the date of sale, name and address of the producer, number and gross weight of the bales, and the signature of the buyer and address of the buyer. If the cotton is sold in the seed, the receipt must show the number of pounds of seed cotton and the number of pounds expressed in terms of lint cotton, rather than the number of bales and gross weight. Lint cotton sold but not baled must show the pounds of lint, rather than the number of bales and gross weight.

All cotton producers will be required to obtain sales receipts for sales and mail them to, or file them personally with, the secretary of the County Agricultural Conservation Association. For sales made up to and including September 15, 1937, sales receipts must be filed not later than September 30, 1937. Cotton sale certificates or sales receipts for cotton sold after September 15, 1937, must be filed not later than 15 days after the date of sale.

A bulletin which will contain the necessary instructions pertaining to the execution and handling of the forms, the necessary information covering the details of the plan as it affects cotton producers, and the forms themselves will be issued with the least possible delay.

Done at Washington, D. C., this 9th day of Sept., 1937. Witness my hand and the seal of the Department of Agriculture.

H A Wallace

Secretary of Agriculture.

U. S. GOVERNMENT PRINTING OFFICE: 1937

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CAP-102 Issued November 1, 1937

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

1937 COTTON PRICE ADJUSTMENT PAYMENT PLAN

EXPLANATION OF THE PLAN

Congress has appropriated $130,000,000 for price-adjustment payments on cotton grown in 1937 in order to improve economic conditions in the country. This means that $130,000,000 can be paid to farmers in the Cotton Belt to make up in part for the drop in the price of cotton and thus give them a better return for their 1937 crop.

The essentials of the plan are:

1. **Administration.**—The price adjustment payment program will be carried out by the Agricultural Adjustment Administration with the help of local committees set up by farmers for the agricultural conservation program, county agricultural agents, and other available facilities.

2. **The grower must cooperate in the 1938 Agricultural Adjustment Program.**—In making funds available for the price adjustment payment plan, Congress provided that a cotton grower must comply with the 1938 Agricultural Adjustment Program to qualify for a payment. This compliance will be required even though a grower may or may not have taken part in the 1937 Agricultural Conservation Program.

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The 1938 Agricultural Adjustment Program is to be drafted under the new general farm legislation which Congress has fixed as the first order of business at its next session.

An application for a price-adjustment payment can be approved only after the grower has submitted proof that he has complied with the new program. What a grower will have to do to comply with the new program cannot be stated until after the new legislation has been passed.

Producers should bear in mind that the burden is on them to prove that their applications are sound and they are entitled to receive the payments, and accordingly, they should carefully keep accurate records and file evidence of the sales of their cotton within the time limits prescribed.

3. **Payments are to be made only on cotton produced in 1937.**—Congress provided that the funds appropriated for cotton price-adjustment payments shall be used with respect to cotton sold from the 1937 crop. This means that cotton produced before or after 1937 cannot be included in the grower's application for payment.

4. **Cotton must be sold before July 1, 1938.**—Cotton on which an application for a price-adjustment payment is made must be sold before July 1, 1938. This does not mean that a grower must sell his entire 1937 crop before he can receive the adjustment payment. It means that whatever part of his 1937 crop he sells is eligible for the

payment up to the limit fixed. If a cotton grower having eligible cotton under the Commodity Credit Corporation 1937 loan should desire to obtain the adjustment payment, he will be required to satisfy the loan and sell such cotton prior to July 1, 1938, in order to include it in his application for payment.

5. **Payments will be made on a grower's 1937 cotton up to 65 percent of his 1937 cotton base.**—A grower may receive a price-adjustment payment on that part of his 1937 crop sold up to 65 percent of his 1937 base production. The percentage may be raised to more than 65 percent if payments on 65 percent of the 1937 cotton bases total less than $130,000,000.

A grower's 1937 base production is the product obtained by multiplying the yield per acre of lint cotton for the farm which was or could have been established under the 1937 Agricultural Conservation Program by the cotton base acreage for the farm which was or could have been established under that program.

Example of how the payment plan would work, based on the 65-percent limit:

If a farmer has a 1937 cotton base production of 10 bales, he may receive a price adjustment payment on the cotton he raises in 1937 and sells before July 1, 1938, up to 65 percent of this base, or 6½ bales. However, if his 1937 production should turn out to be only five bales, he would not be allowed a price adjustment payment on more than the five bales. In other words, he cannot receive a payment on more than the actual number of bales produced in 1937 and sold before July 1, 1938.

6. **Rate of payment.**—The payment per pound to growers of 1937 cotton who qualify under the price-adjustment payment plan will be the amount by which the average price of ⅞-inch Middling cotton on the 10 designated spot cotton markets is below 12 cents on the day the grower sells his cotton, but not in excess of 3 cents per pound in any case.

The rate of payment on a particular grower's cotton will depend not on the price received by that grower from the buyer of his cotton, but on the 10-market average for ⅞-inch Middling on the date of his sale. The grade and staple of the grower's cotton have no bearing on his payment.

For example, if the average price of ⅞-inch Middling on the 10 designated spot markets is 9 cents on the day a grower sells cotton, the Government payment will be at the rate of 3 cents per pound for such cotton, the difference between 12 cents and the 10-market average. Assuming a grower sells his cotton on a day when the 10-market average is 10 cents, the price adjustment payment will be 2 cents per pound. If he sells his cotton when the 10-market average for ⅞-inch Middling is 8 cents, the payment will be 3 cents per pound, the maximum. Whether the grower's cotton is above or below Middling grade or longer or shorter than ⅞-inch staple is immaterial.

NOTE.—The 10 designated spot-cotton markets are Norfolk, Augusta, Savannah, Montgomery, Memphis, New Orleans, Little Rock, Houston, Dallas, and Galveston.

7. **Proof of cotton sales.**—The producer must obtain sale receipts or cotton sale certificates from the person to whom he sells his cotton. The receipts must show the date of sale, name, and address of the producer, number and gross weight of the bales, and the

signature and address of the buyer. If the cotton is sold in the seed, the receipts must show the number of pounds of seed cotton and number of pounds expressed in terms of lint cotton, rather than the number of bales and gross weight. Receipts on lint cotton sold but not baled must show the pounds of lint, rather than the number of bales and gross weight, and should be marked "loose lint."

The grower will be required to file the sale receipts or cotton sale certificates with the secretary of his County Agricultural Conservation Association in chronological order of the sales of the cotton. For sales made up to and including October 15, 1937, cotton sale certificates or sale receipts must be filed not later than October 30, 1937. Cotton sale certificates for cotton sold after October 15, 1937, must be filed not later than 15 days after the date of sale of the cotton. The filing may be done either by mail or by delivering the receipts to the secretary of the association in person. No exception will be made unless it is authorized by the Secretary of Agriculture in an unusual case to avoid hardship for which the grower is not at fault. Sale certificates, Form CAP–101, will be required, when available, for cotton sold.

Careful attention should be given to the definition of "date of sale" issued September 28, 1937, by the Secretary of Agriculture, which is printed on the back page.

Speaking generally, the date of sale is the date on which the grower agreed to sell the lot of cotton, whether that agreement was in the form of a spot sale of actual bales of cotton, a so-called forward sales contract, or a hedge sale. If the grower's agreement of sale made for future delivery is not carried out, that agreement cannot be taken into account in fixing the date of sale. The date of sale will be the date of the agreement covering the first sale of the cotton actually carried through so that the cotton sold can be identified by bale number and weight.

Detailed information on the payment plan may be obtained from the secretary or other officers or committee members of the county agricultural conservation associations. Detailed instructions covering other phases of the price adjustment payment plan and forms will be made available as soon as practicable.

DEFINITION OF DATE OF SALE UNDER THE 1937 COTTON PRICE-ADJUSTMENT PAYMENT PLAN

Pursuant to the item entitled "Price Adjustment Payment to Cotton Producers" in the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937, Public No. 354, 75th Congress

For the purposes of the 1937 Cotton Price Adjustment Payment Plan the date of sale shall be deemed to be the date on which the person by or for whom the cotton which is sold was produced and harvested entered into the agreement to sell such cotton whether or not delivery thereof is simultaneously made and whether or not title thereto simultaneously passes. At the time application for payment under said plan is made it must be shown that the cotton covered by each Cotton Sale Certificate or sales receipt submitted in support of such application is cotton which was sold for money or some thing of value prior to July 1, 1938, by the person by or for whom it was produced and harvested, that title thereto has vested in the purchaser, and that delivery thereof has been made pursuant to such sale. Cotton paid as standing rent or as an installment on the purchase price of a farm shall be deemed to have been sold by the producer thereof so paying it and the date of sale thereof shall be the date on which it was delivered in such payment prior to July 1, 1938.

Done at Washington, D. C., this 28th day of September 1937. Witness my hand and the seal of the Department of Agriculture.

H A Wallace

Secretary of Agriculture.

TEXT OF THE ACT OF CONGRESS UPON WHICH THE 1937 COTTON PRICE-ADJUSTMENT PAYMENT PLAN IS BASED

Excerpt from the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937, Public No. 354, 75th Congress

Price Adjustment Payment to Cotton Producers

Notwithstanding any other provisions of section 32 of Public Law Numbered 320, Seventy-fourth Congress, as amended, not to exceed $65,000,000 of the funds available under said section 32 in each of the fiscal years 1938 and 1939 shall be available (at such times and in such amounts as the Secretary of Agriculture may determine) until expended for a price-adjustment payment, upon such terms and conditions as the Secretary of Agriculture may determine, with respect to the 1937 cotton crop to cotton producers who have complied with the provisions of the 1938 agricultural adjustment program formulated under the legislation contemplated by Senate Joint Resolution Numbered 207, Seventy-fifth Congress [being Public Resolution No. 69, approved August 24, 1937]. Such payments to any producer shall be at a rate per pound equal to the difference between 12 cents per pound and the average price of seven-eighths Middling cotton on the ten designated spot cotton markets on the dates of sale of such cotton, but in no case shall exceed 3 cents per pound. The bases for any such payment, or the amount thereof, when officially determined in conformity with rules prescribed by the Secretary of Agriculture shall be reviewable only by the Secretary of Agriculture.

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UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

REGULATIONS AND INSTRUCTIONS PERTAINING TO 1937 COTTON PRICE ADJUSTMENT PAYMENT PLAN

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REGULATIONS

By virtue of the authority vested in the Secretary of Agriculture by the item entitled "Price Adjustment Payment to Cotton Producers" contained in the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937 (Public Law No. 354, 75th Congress, 1st Session; 50 Stat. 762), by section 381 (a) of the Agricultural Adjustment Act of 1938, approved February 16, 1938 (Public Law No. 430, 75th Congress, 3d Session; 52 Stat. 67), as amended by section 12 of

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Public Law No. 470, 75th Congress, approved April 7, 1938 (52 Stat. 202), and by the next to the last proviso to the item entitled "Conservation and Use of Agricultural Land Resources, Department of Agriculture", contained in the Department of Agriculture Appropriation Act, 1939, approved June 16, 1938 (Public Law No. 644, 75th Congress, 3d Session; 52 Stat. 744). I, H. A. Wallace, Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following regulations governing payments which will be made to cotton producers with respect to the 1937 cotton crop, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture under said provisions of law.

TEXT OF THE ACTS OF CONGRESS GOVERNING THE 1937 COTTON PRICE ADJUSTMENT PAYMENT PLAN

1. Excerpt From the Third Deficiency Appropriation Act, Fiscal Year 1937, 50 Stat. 762:

"PRICE ADJUSTMENT PAYMENT TO COTTON PRODUCERS

"Notwithstanding any other provisions of section 32 of Public Law Numbered 320, Seventy-fourth Congress, as amended, not to exceed $65,000,000 of the funds available under said section 32 in each of the fiscal years 1938 and 1939 shall be available (at such times and in such amounts as the Secretary of Agriculture may determine) until expended for a price-adjustment payment, upon such terms and conditions as the Secretary of Agriculture may determine, with respect to the 1937 cotton crop to cotton producers who have complied with the provisions of the 1938 agricultural adjustment program formulated under the legislation contemplated by Senate Joint Resolution Numbered 207, Seventy-fifth Congress [being Public Resolution No. 69, 75th Congress, 1st Session, approved August 24, 1937, 50 Stat. 754]. Such payments to any producer shall be at a rate per pound equal to the difference between 12 cents per pound and the average price of seven-eighths Middling cotton on the ten designated spot cotton markets on the dates of sale of such cotton, but in no case shall exceed 3 cents per pound. The bases for any such payment, or the amount thereof, when officially determined in conformity with rules prescribed by the Secretary of Agriculture shall be reviewable only by the Secretary of Agriculture."

2. Section 381 (a) of the Agricultural Adjustment Act of 1938, Approved February 16, 1938, 52 Stat. 67, As Amended by Section 12 of the Act of April 7, 1938, Public No. 470, 75th Congress, 52 Stat. 202:

"SEC. 381. (a) For the purposes of the provisions (relating to cotton price adjustment payments with respect to the 1937 cotton crop) of the Third Deficiency Appropriation Act, fiscal year 1937, a producer shall be deemed to have complied with the provisions of the 1938 agricultural adjustment program formulated under the legislation contemplated by Senate Joint Resolution Numbered 207, Seventy-fifth Congress, if his acreage planted to cotton in 1938 does not exceed his farm acreage allotment for 1938 under the Soil Conservation

and Domestic Allotment Act, as amended (including the amendments made by this Act), or under section 344 of this Act, whichever is the lesser. For the purposes of this subsection a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded his farm acreage allotment. Such compliance shall not be required in any case where the producer is not engaged in cotton production in 1938. In cases where in 1937 a total or partial crop failure resulted from hail, drought, flood, or boll-weevil infestation, or where any part of a producer's 1937 cotton crop was destroyed after the harvesting thereof by fire or other unavoidable natural cause, if the producer is otherwise eligible for payment, payment shall be made at the same rate per pound on the same percentage of the producer's normal base production established by the Secretary [of Agriculture] as in the case of other producers. For the purpose of such provisions of the Third Deficiency Appropriation Act, fiscal year 1937, cotton not sold prior to July 1, 1938, shall be held and considered to have been sold on June 30, 1938, and all applications for price adjustment payments shall be filed with the Secretary not later than July 15, 1938. Such payments shall be made at the earliest practicable time. Application for payment may be made by the 1937 operator of a farm on behalf of all persons engaged in cotton production on the farm in 1937 and need be signed only by such operator, but payment shall be made directly to each of the persons entitled thereto. In case any person who is entitled to payment hereunder dies, becomes incompetent, or disappears before receiving such payment or is succeeded by another who renders or completes the required performance, payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and provided by regulations."

3. Excerpt from the Department of Agriculture Appropriation Act, 1939:

"*And provided further*, That in carrying out the provisions of the Third Deficiency Appropriation Act, fiscal year 1937, and section 381 (a) of the Agricultural Adjustment Act of 1938, as amended, relating to cotton price adjustment payments with respect to the 1937 cotton crop, in order to accelerate such payments the Secretary [of Agriculture] shall, notwithstanding said provisions, (1) treat all cotton not sold prior to September 10, 1937, as if it had been sold on a date when the average price of seven-eighths-inch Middling cotton on the ten designated spot cotton markets was less than 9 cents per pound; (2) make payment on the basis of applications filed prior or subsequent to July 16, 1938, on forms prescribed by the Secretary, by the 1937 operator or other person designated pursuant to regulations prescribed by the Secretary on behalf of all the producers on the farm in 1937 or by individual producers, provided that (a) payment will not be made to the 1938 operator of the farm unless he certifies that he has complied thereon with the requirements defined in said section 381 (a), which certificate shall be taken to certify to such compliance on the part of all producers on the farm in 1938 who produced cotton in 1937, (b) payment shall not be delivered to any operator or producer until he has agreed in writing to refund the

payment forthwith upon demand in case it is subsequently found that he has failed to comply with the requirements as defined herein and in said section 381 (a), (c) in cases where cotton was produced in 1937 on two or more producer units on the farm it shall be assumed that the production thereon was uniform, and (d) it shall be assumed that there was a total or partial crop failure resulting from hail, drought, flood, or boll-weevil infestation (which is defined to include any other insect or fungus) only if the yield in 1937 is below the base yield for the farm and in such case the total production shall be considered to be the normal yield for the farm multiplied by the number of acres planted to cotton in 1937; and (3) make payments, as soon as practicable, on the basis of his estimate of the amounts which will be covered by the applications to be filed and of the funds to be used out of the appropriation for the necessary administrative expenses of making the cotton price adjustment payments."

[NOTE.—The above-mentioned section 344 of the Agricultural Adjustment Act of 1938 provides for farm cotton acreage allotments in connection with cotton marketing quotas.]

PART I. ELIGIBILITY FOR PAYMENT

SEC. 1. **Producers Eligible for Payment.**—A. Every person who was a cotton producer in 1937, whether or not he is engaged in cotton production in 1938, shall be entitled to receive a payment upon the terms and conditions set forth in these regulations, but no payment shall be made to any person—

(1) if he is an operator of a farm in 1938 unless he certifies that he has not knowingly planted, or caused or permitted the planting of, cotton in 1938, on any farm in which he has an interest as a cotton producer in 1938, in excess of the cotton acreage allotment established for the farm for 1938; or

(2) who the County Committee finds has knowingly planted or caused or permitted the planting of, cotton in 1938, on any farm in which such person is interested as a cotton producer in 1938, in excess of the cotton acreage allotment established for the farm for 1938.

B. No payment shall be delivered to any person unless (1) he has certified that he has not knowingly planted, or caused or permitted the planting of, cotton in 1938, on any farm in which he has an interest as a cotton producer in 1938, in excess of the cotton acreage allotment established for the farm for 1938, and (2) he has agreed in writing to refund to the United States, forthwith upon demand, any payment received by him in case it is subsequently found that he has knowingly planted, or caused or permitted the planting of, cotton on any such farm in 1938 in excess of such allotment.

SEC. 2. **Eligible Cotton.**—A. Payments may be made with respect to the following:

(1) cotton grown in 1937 and harvested and sold prior to September 10, 1937,

(2) cotton grown in 1937 and harvested but which was not sold prior to September 10, 1937, which shall include (but not be

restricted to) cotton stored in a warehouse or elsewhere, cotton under the 1937 Commodity Credit Corporation Cotton Loan, and cotton destroyed by fire or other unavoidable natural cause without a sale of such cotton having been made, and

(3) the normal production on the acreage planted to cotton in 1937 where there was a total or partial crop failure for the farm as a whole caused by hail, drought, flood, or infestation by boll-weevils or any other insect or fungus (hereinafter referred to as "crop failure.").

B. The amount of cotton with respect to which payment may be made for any farm shall be the smaller of the following:

(1) that percentage (which shall be the same for all eligible farms) of the 1937 base cotton production established for the farm which the Secretary of Agriculture determines will result in total payments for all cotton producers approximating but not in excess of the $130,000,000 appropriated less estimated expenses for administration, or

(2) the total amount of cotton produced on the farm in 1937 and harvested (including cotton destroyed after harvesting by fire or other unavoidable natural cause), except that in cases of crop failure payment may be made with respect to an amount of cotton equal to the smaller of the following:

(a) the base yield per acre multiplied by the acreage planted to cotton on the farm in 1937, or

(b) the percentage of the base cotton production for the farm specified in paragraph (1) of this subsection B.

SEC. 3. **Total or Partial Crop Failure.**—A crop failure shall be deemed to have resulted only if the County Committee finds that:

(1) a total or partial crop failure on the acreage planted to cotton on the farm as a whole in 1937 did in fact result from hail, drought, flood, or infestation by boll-weevils or any other insect or fungus, and

(2) the total production in 1937 on the acreage planted to cotton on the farm was less than the product obtained by multiplying such acreage by the 1937 base yield per acre designated for the farm in accordance with subsection B of section 4.

SEC. 4. **Base Acreage, Yield Per Acre, and Base Production.**—A. The 1937 cotton soil-depleting base acreage for any farm shall be whichever of the following is applicable:

(1) the cotton soil-depleting base which was or could have been established for the farm pursuant to the provisions of the 1937 program, except that the sum of the cotton soil-depleting bases for all such farms in a county (or other specified area) for which cotton soil-depleting bases are established pursuant to these regulations shall not exceed their proportionate share of the quota established therefor under such program for the county (or other specified area); or

(2) for farms on which cotton was planted in 1937 and on which a cotton soil-depleting base could not have been established under the 1937 program, a cotton soil-depleting base acreage shall be established which shall be comparable with cotton soil-depleting

bases established under the 1937 program for other farms in the same community on which cotton was grown in 1936 for the first time since 1927 and which are similar with respect to size, type of soil, topography, production facilities, type of farming, and farming practices.

B. The 1937 base yield per acre of lint cotton shall be the yield per acre which was or could have been designated for the farm pursuant to the provisions of the 1937 program.

C. The 1937 base cotton production for each farm on which cotton was planted in 1937 shall be the product obtained by multiplying the 1937 cotton soil-depleting base acreage established for the farm by the 1937 base yield per acre designated for the farm except that:

(1) the sum of the base cotton production for all farms in the county (or other specified area) for which a cotton soil-depleting base acreage is established pursuant to subsection A (1) shall not exceed their proportionate share of the quota of cotton production established for the county (or other specified area) under the 1937 program; and

(2) the total 1937 base cotton production for all farms for which a cotton soil-depleting base acreage is established pursuant to A (2) of this section 4 shall not exceed the product obtained by multiplying the sum of the base cotton acreage established for all such farms in the county (or other specified area) by the yield derived by dividing the quota of cotton production by the quota of cotton acreage for the county (or other specified area).

PART II. PAYMENTS

SEC. 21. **Rates of Payment.**—A. The payment per pound to each eligible producer by or for whom an application is made shall be whichever of the following is applicable:

(1) with respect to cotton sold prior to September 10, 1937, the amount per pound by which the base price is below 12 cents per pound on the date of sale of such cotton, but in no case in excess of 3 cents;

(2) with respect to cotton not sold prior to September 10, 1937, 3 cents per pound; and

(3) with respect to the normal cotton production in case of crop failure, 3 cents per pound, except that the rate of payment with respect to whatever cotton was produced on the farm shall be the rate specified in (1) or (2) of this subsection A, whichever is applicable.

B. If on any day prior to September 10, 1937, the official average base price is 12 cents or above, no payment will be made with respect to cotton sold on such day. If for any reason the base price was not announced on any particular day, the rate of payment shall be computed on the basis of the base price announced for the next succeeding day for which a base price was announced. The payments to be made respecting sales of cotton on any day will be computed at the rate applicable for such day without regard to variances in grade or staple or to the price received by the producer for the cotton sold. Following is the official average base price for each day beginning with January 1, 1937, and ending with September 9, 1937:

Date	Cents per pound
1937	
Jan. 1	H.
2	H.
3	S.
4	12. 68
5	12. 68
6	12. 72
7	12. 82
8	12. 75
9	12. 82
10	S.
11	12. 80
12	12. 86
13	12. 83
14	12. 78
15	12. 80
16	12. 82
17	S.
18	12. 82
19	12. 69
20	12. 78
21	12. 79
22	12. 82
23	12. 82
24	S.
25	12. 82
26	12. 88
27	13. 03
28	13. 06
29	13. 05
30	13. 12
31	S.
Feb. 1	13. 06
2	13. 00
3	13. 05
4	13. 02
5	12. 97
6	12. 96
7	S.
8	12. 94
9	12. 90
10	12. 90
11	12. 91
12	12. 95
13	12. 84
14	S.
15	12. 87
16	12. 74
17	12. 76
18	12. 75
19	12. 73
20	12. 76
21	S.
22	H.
23	12. 81
24	12. 93
25	12. 94
26	13. 00
27	13. 08
28	S.
Mar. 1	13. 24
2	13. 43
3	13. 60
4	13. 58
5	13. 73
6	13. 91
7	S.
8	13. 74
9	13. 96
10	14. 13
11	14. 13
12	14. 15
13	14. 21
14	S.
15	14. 52
16	14. 68
17	14. 55
18	14. 40
19	14. 16
20	14. 21
21	S.
22	14. 32
23	14. 20
24	14. 29
25	14. 23
26	H.
27	14. 38
28	S.
29	14. 43
30	14. 91
31	14. 76
Apr. 1	14. 82
2	14. 62
3	14. 70
4	S.
5	14. 73
6	14. 59
7	14. 30
8	14. 43
9	14. 23
10	14. 17
11	S.
12	14. 12
13	14. 03
14	13. 99
15	13. 78
16	13. 48
17	13. 63
18	S.
19	13. 53
20	13. 64
21	13. 82
22	13. 57
23	13. 49
24	13. 53
25	S.
26	13. 30
27	13. 54
28	13. 27
29	13. 05
30	13. 30
May 1	13. 19
2	S.
3	13. 28
4	13. 33
5	13. 43
6	13. 40
7	13. 36
8	13. 37
9	S.
10	13. 18
11	13. 03
12	13. 08
13	12. 90
14	12. 96
15	13. 04
16	S.
17	12. 93
18	13. 04
19	13. 05
20	13. 14
21	13. 03
22	13. 13
23	S.
24	13. 08
25	12. 94
26	12. 94
27	13. 04
28	13. 08
29	13. 08
30	S.
31	13. 11
June 1	12. 99
2	13. 02
3	12. 88
4	12. 98
5	13. 02
6	S.
7	12. 57
8	12. 47
9	12. 28
10	12. 37
11	12. 39
12	12. 28
13	S.
14	12. 15
15	12. 20
16	12. 24
17	12. 31
18	12. 35
19	12. 26
20	S.
21	12. 37
22	12. 40
23	12. 60
24	12. 47
25	12. 54
26	12. 54
27	S.
28	12. 53
29	12. 53
30	12. 42
July 1	12. 49
2	12. 30
3	12. 29
4	S.
5	H.
6	12. 36
7	12. 41
8	12. 65
9	12. 85
10	12. 70
11	S.
12	12. 67
13	12. 74
14	12. 76
15	12. 40
16	12. 33
17	12. 33
18	S.
19	12. 34
20	12. 19
21	12. 00
22	11. 97
23	11. 64
24	11. 55
25	S.
26	11. 30
27	11. 51
28	11. 38
29	11. 14
30	11. 16
31	11. 10
Aug. 1	S.
2	10. 89
3	10. 95
4	11. 14
5	11. 24
6	11. 18
7	11. 14
8	S.
9	10. 67
10	10. 62
11	10. 55
12	10. 34
13	10. 56
14	10. 54
15	S.
16	10. 34
17	10. 34
18	10. 18
19	9. 94
20	9. 87
21	9. 77
22	S.
23	9. 61
24	9. 61
25	9. 54
26	9. 49
27	9. 37
28	9. 49
29	S.
30	9. 31
31	9. 16
Sept. 1	9. 07
2	9. 35
3	9. 16
4	9. 14
5	S.
6	H.
7	9. 24
8	9. 05
9	9. 11

H=Holiday.
S=Sunday.

SEC. 22. **Sales.**—A. Sales of cotton shall include the following:

(1) Any transaction, contract, or agreement made in good faith prior to September 10, 1937, whereby a person entitled to the whole of or a share in the cotton crop produced by or for him transfers or agrees to transfer the title to the whole or any part of his cotton or share in cotton to another, called the purchaser, for money or some thing of value.

(2) Any transaction whereby as a result of attachment, foreclosure, or other legal process the cotton is sold prior to September 10, 1937, by a sheriff or other officer of the law and the title to and possession of the cotton is transferred from the producer by or for whom the cotton was produced and harvested.

(3) The delivery of cotton prior to September 10, 1937, by the producer thereof in payment of standing-rent or fixed-rent or the whole or any part of the purchase price of real or personal property (except cotton) or in payment for labor or services.

(4) Any transaction whereby pursuant to any contract or agreement of membership in any cooperative marketing association or other cotton farmers' association the producer delivers his share of the cotton crop or any part thereof or title thereto to such association prior to September 10, 1937, provided the control over the cotton is relinquished by the producer and such producer had not previously entered into any contract or agreement such as specified in paragraph A (1).

B. Cotton harvested from the 1937 crop but which had not been sold prior to September 10, 1937, shall be held and considered to have been sold on a date on which the base price was below 9 cents per pound, and such cotton shall include (but shall not be restricted to) cotton destroyed by fire or other unavoidable natural cause before consummation of a sale thereof.

C. At the time application for payment is made it must be established to the satisfaction of the County Committee that all cotton sold in accordance with subsection A up to the amount eligible for payment is covered by one or more cotton sale certificates or cotton sale receipts filed in the office of the Secretary of the County Association.

SEC. 23. **Date of Sale.**—The date of sale shall be deemed to be whichever of the following is applicable:

(1) For cotton sold as specified in paragraph A (1) of section 22 the date of sale shall be the date on which the person by or for whom such cotton was produced and harvested entered into the contract or agreement to sell such cotton whether or not delivery thereof was simultaneously made and whether or not title thereto simultaneously passed.

(2) For cotton sold as specified in paragraph A (2) of section 22 the date of sale shall be the date on which the sheriff or other officer of the law entered into any agreement or contract to sell such cotton whether or not delivery thereof was simultaneously made and whether or not title thereto simultaneously passed.

(3) For cotton sold as specified in paragraph A (3) of section 22 the date of sale shall be the date on which the cotton

was delivered in payment of standing-rent or fixed-rent or the whole or any part of the purchase price of real or personal property (except cotton) or in payment for labor or services.

(4) For cotton sold as specified in paragraph A (4) of section 22 the date of sale shall be the date on which the cotton or title thereto was delivered to the marketing association, whichever was earlier.

SEC. 24. **Division of Payment Among Producers on a Farm.**—In determining the amount of the payment which may be made to each producer on a particular farm the following provisions shall apply:

A. Where two or more persons under their lease or operating agreement (whether written or oral) were entitled to share in the cotton crop planted on the farm, or its proceeds, the acreage planted to cotton by each producer on the farm in 1937 shall be divided in accordance with such producer's respective lease or operating agreement.

B. The total amount of cotton eligible for payment with respect to the farm shall be apportioned among the cotton producers on the farm in 1937 by dividing the total eligible cotton by the total acreage planted to cotton on the farm in 1937 and multiplying the result so obtained by each producer's share of the acreage planted to cotton as determined by the rule in subsection A. The result so obtained for each producer shall be such producer's share of the cotton eligible for payment.

C. The payment with respect to each producer's share of the eligible cotton for a farm shall be computed, first, with respect to cotton sold prior to September 10, 1937, sales of which shall be considered in their chronological order, and, second, with respect to the eligible cotton not sold prior to September 10, 1937. The amount of payment attributable to any particular number of pounds of a producer's eligible cotton having the same rate of payment shall be the product obtained by multiplying such poundage by the applicable rate as determined under the provisions of section 21. The total amount of payment for each individual shall be the sum of the products so obtained with respect to the entire amount of such producer's eligible cotton.

D. If only one person had any interest in cotton produced on the farm in 1937, he shall be entitled to receive the entire amount of payment attributable to the eligible cotton for the farm.

SEC. 25. **Checks.**—A separate check for each individual's share of the payment will be issued to him.

PART III. PROOF OF SALES, COTTON NOT SOLD, AND APPLICATION FOR PAYMENT

SEC. 31. **Proof of Sales.**—A. Cotton sold in accordance with paragraphs A (1) through A (4) of section 22 by or for the producer therof may be covered by an application for payment only if such cotton is evidenced by a buyer's sale receipt or a Cotton Sale Certificate (Form CAP–101) signed by the buyer or a person authorized by him. The buyer's sale receipt or the cotton sale certificate must show the date of sale, name and address of the producer, the total number of bales and the gross weight (including bagging and ties) thereof, or if seed

cotton is sold the gross weight thereof (including seed) and the number of pounds of lint therein, or if lint cotton not baled is sold the net weight thereof. If more than one producer is entitled to share in the cotton or the proceeds of its sale or an undivided interest in the cotton is sold and a cotton sale certificate is issued, the interest of each producer in the cotton or undivided interest therein which is sold should be expressed in terms of pounds of lint and entered in section II of the certificate, which should be signed by the 1937 operator of the farm.

In case a buyer's sale receipt is submitted covering a sale of cotton in which more than one producer is entitled to share in the cotton or its proceeds, the producer submitting the receipt shall be required to file a statement signed by the 1937 operator of the farm showing the interest of each producer, expressed in pounds of lint, in the cotton sold and such statement shall be attached to the receipt to which it relates. Section II of Form CAP–101 may be used for this purpose.

If the 1937 operator has not executed section II of the cotton sale certificate(s) or separate statement(s) showing the interest of each producer in the cotton sold, the person designated by the County Committee to submit the application for payment, otherwise any person having an interest in such cotton other than the person selling it, may execute such section II or such statement.

B. Notwithstanding the provisions of subsection A where cotton produced on the farm in 1937 was sold on a plantation-pool basis (that is, the proceeds of the 1937 crop were divided among the producers on the farm according to their respective interests), the respective interest of each producer in the cotton sold prior to September 10, 1937, need not be shown in section II of cotton sale certificate(s) or in statements filed with buyer's sale receipt(s) covering the cotton so sold.

C. In case a producer sold cotton from his 1937 cotton crop prior to September 10, 1937, without procuring a buyer's cotton sale receipt or cotton sale certificate signed by the buyer and such buyer's identity or address is unknown to him or such producer is for any other reason unable to obtain the execution by the buyer or someone authorized by him of a buyer's sale receipt or cotton sale certificate covering the cotton so sold, he may file a cotton sale certificate without the signature of the buyer, upon his executing and filing a statement in duplicate, supported by gin tickets or certificates of public weighers covering the ginning or weighing of the cotton, or in the absence of gin tickets or weight certificates (because of destruction, loss, or nonissuance) a statement signed by the person ginning or weighing the cotton establishing the weight thereof. Any such statement of the producer must recite the date of sale and the amount of cotton sold (expressed in pounds of lint) and show that the cotton so sold is not otherwise covered on any application for payment. If the County Committee finds that it has no reason to disbelieve that the statement and accompanying receipts, tickets, or ginner's or weigher's statements establish the transaction, it shall cause to be endorsed upon the cotton sale certificate a statement to the following effect: "The County Committee finds that this cotton was sold as indicated by the entries contained herein", signed by a member of the County Committee on behalf of such committee, which statement, in

order to be acceptable, must be approved by the Secretary of the County Association by affixing his signature and the date thereof. The cotton sale certificate so executed and endorsed, together with the producer's statement and supporting evidence, shall be deemed to establish such transaction. No person shall be eligible for any payment who fails to establish the exact dates of sale of all cotton from his 1937 crop which was sold by or for him prior to September 10, 1937.

D. Buyer's sale receipts and cotton sale certificates shall be filed in the office of the Secretary of the County Association of the county in which the 1937 farming headquarters (or in the absence of headquarters, the major part) of the farm on which the cotton was produced is located. Buyer's sale receipts and cotton sale certificates shall be considered strictly in the chronological order of sales for the purpose of recording sales on the application for payment.

SEC. 32. **Proof of Total Cotton Production and Cotton Not Sold Prior to September 10, 1937.**—It shall be the duty of the County Committee to determine the total cotton production on the farm in 1937. In making such determination the County Committee shall take into consideration whatever proof is presented to it by the 1937 operator of the farm or any one or more persons by or for whom application for payment is made, the cotton sale certificates and buyer's sale receipts filed covering cotton of the 1937 cotton crop sold prior or subsequent to or on September 10, 1937, gin tickets, certificates of public weighers, and other facts within the knowledge of the committeemen, such as weather conditions, productivity of the soil, etc.

SEC. 33. **Application for Payment.**—A. Only one application for a payment (Form CAP–103, Revised, hereinafter referred to as "application") should be submitted for a farm, except that where necessary an adjustment or a supplemental application may be submitted. Such application should be made on behalf of all cotton producers on the farm in 1937 by the 1937 operator of the farm, or, in case he is not available or fails to make such application, by a person designated by the County Committee. The application for payment shall state the name and the last-known mailing address of every cotton producer on the farm in 1937 and there shall be set forth thereon, for each producer, the essential data constituting the basis of payment and all necessary findings of fact and representations and, if found by the County Committee to be in order, it shall be signed by a member on behalf of the committee and in order to be acceptable shall also be approved by the Secretary of the County Agricultural Conservation Association or his duly authorized substitute. Nothing contained in these regulations shall be construed to prevent the execution and acceptance of individual applications by the respective producers in case there were two or more cotton producers on the farm in 1937, but where such individual applications are tendered they shall not be acted upon until the County Committee finds that all applications submitted respecting the farm account for all the cotton producers thereon in 1937 and all their 1937 cotton acreage and production.

B. The application shall be filed in the office of the Secretary of the County Association of the county in which the 1937 farming head-

quarters (or in the absence of headquarters, the major part) of the farm, as it was operated in 1937, is located.

C. Each cotton producer on the farm in 1937 may examine the data contained therein at any time before the application is submitted to the State office. If the application has been forwarded to the State office, he may examine the copy retained in the county office. If any cotton producer shown on the application disagrees with any of the data shown opposite his name he may make his objections known to the County Committee in writing or otherwise. If the application has been forwarded to the State office, the County Committee, if the facts warrant, shall request its return, but if the application cannot be returned (because it has been forwarded to the General Accounting Office or has been paid) the matters in controversy shall be adjusted in accordance with the established procedure prescribed by the Agricultural Adjustment Administration.

If the application has not been forwarded to the State office or has been returned, the County Committee shall forthwith give notice of any objections raised and of the time and place of a hearing thereon to the other producer(s) shown on the application who would be affected by the objections if sustained. In the event the parties affected and the objecting producer should agree to a settlement of the matters in controversy, changes in the data on the application shall be made in accordance with such agreement, if consistent with these regulations, and the application shall be handled in all other respects in the regular manner. Should the parties fail so to agree, the County Committee, after hearing the matters in dispute, at the time and place notified, shall make its findings and determinations with regard to such matters and such changes as are necessary shall be made, and if no appeal from the decision of the committee has been taken within the time allowed for appeal the application shall be handled in the regular manner. If an appeal is taken from the decision of the County Committee, the application shall not be submitted for payment until final determination has been made respecting the matter in controversy.

PART IV. SUCCESSORS IN INTEREST

SEC. 41. **Death, Disappearance, Incompetency, etc.**—A. Where prior to the time of completion of harvesting in 1937 a person died, disappeared, became incompetent, or voluntarily ceased to cultivate, abandoned, sold, or through his own fault or neglect lost control of his cotton crop, such producer shall not be entitled to any payment hereunder which might otherwise have been made to him, but whoever succeeded him, and as such successor became entitled to such crop or to share in it or its proceeds in his own right and completed the cultivating or harvesting of the crop, shall, for the purposes of the 1937 Cotton Price Adjustment Payment Plan, be deemed to be a cotton producer on the farm in 1937 and as such shall be entitled to the payment attributable to such cotton or to share upon the same terms and conditions as other producers. The term "successor" as used herein does not include any person who as a result of attachment, foreclosure, or other legal process came into possession of the cotton crop before, during, or after the harvesting of the crop, and in such case the person who so lost control shall nevertheless be deemed to be the cotton producer eligible for payment.

B. In cases covered by subsection A, where the successor who gained control of the crop or share therein which the outgoing producer had in 1937 was entitled to the crop or share not in his own right but in a representative or fiduciary capacity, such as administrator, executor, guardian, committee, receiver, etc., and completed the harvesting of the 1937 crop, such fiduciary shall be entitled to the payment attributable to such cotton or share upon the same terms and conditions as other producers.

C. Where prior to the time application is made the 1937 operator of the farm has died, become incompetent, or disappeared, or failed, or refused to execute, within a reasonable time, an application for and on behalf of himself and the other producers on the farm, the County Committee, upon being notified or finding the fact of such death, incompetency, disappearance, failure, or refusal, shall forthwith designate a readily available and trustworthy person who is conversant with the 1937 operation of the farm as the person to make such application and shall immediately notify him in writing of such designation.

D. Where, subsequent to harvest of the 1937 cotton crop but before the application is made, any producer dies the payment which would otherwise be made to him shall be made only as follows:

(1) To the administrator or executor of his estate if one has been or will be appointed.

(2) If no administrator or executor has been or will be appointed, the payment shall be made in the following order to whomever survives:

a. the surviving spouse;

b. the sons and daughters in equal shares (for minor children, to their legal guardian, for their benefit; but if no legal guardian has been appointed, to their natural guardian, for their benefit; unless the minors' share of the payment is over $500, in which case payment will be made only to the legal guardian);

c. all his heirs.

E. Where, subsequent to harvest of the 1937 cotton crop but before the application is made, any producer becomes incompetent the payment which would otherwise be made to him shall be made to the guardian or committee appointed for him, but in case no such guardian or committee is appointed then to such person as may be authorized under State law to receive payment for him (see the standard procedure heretofore prescribed for the respective Region).

F. Payment shall not be delivered to any person otherwise entitled to payment pursuant to subsection D or E until he has agreed in writing to refund the payment forthwith upon demand in case it is subsequently found that he, as successor in interest or in his representative or fiduciary capacity, or the deceased or incompetent, has knowingly planted, or caused or permitted the planting of, cotton in 1938 on any farm, in which he, as such successor or representative or fiduciary, or the deceased or incompetent has or had an interest as a cotton producer in 1938, in excess of the cotton acreage allotment established for the farm in 1938.

PART V. COMPLIANCE

SEC. 51. **Compliance.**—A. The County Committee shall determine with respect to each person by or for whom an application for pay-

ment has been made whether such person is engaged in cotton production in 1938 and, if so engaged, whether such producer knowingly planted, or caused or permitted the planting of, cotton in 1938, on any farm in which he has an interest as a cotton producer, on acreage in excess of the cotton acreage allotment established for such farm.

B. A person shall be deemed to have knowingly planted, or caused or permitted the planting of, cotton on any farm in which he has an interest as a cotton producer, on acreage in excess of such cotton acreage allotment, if notice of the farm cotton acreage allotment for the farm is mailed to the operator of the farm prior to the completion of the planting (that is, the seeding) of cotton on the farm, unless he proves to the satisfaction of the County Committee that the fact is that the excess acreage planted to cotton was due to his lack of knowledge of the number of acres in the tract or tracts planted to cotton. Notice of the farm cotton acreage allotment, if mailed to the operator of the farm, shall be deemed to be notice thereof to all persons entitled to share in the production of cotton thereon in 1938.

C. Instructions with respect to determining the acreage planted to cotton in 1938 on any farm issued or to be issued in connection with the 1938 Agricultural Conservation Program or in connection with marketing quotas under section 344 of the Agricultural Adjustment Act of 1938 are hereby made a part of these regulations.

D. No payment shall be made to the 1938 operator of the farm pursuant to the application covering such farm or to any producer shown on such application who the County Committee knows is the 1938 operator of any farm, unless either

(1) section I of the application was executed by such operator or producer, or

(2) a Form CAP–104, "1938 Operator's Certificate of Compliance", executed by such operator or producer is attached to the application.

No payment shall be made to any operator or producer who, the County Committee finds, has knowingly planted, or caused or permitted the planting of, cotton, or contributed to the planting of cotton, in 1938 on any farm in which he has an interest as a cotton producer in 1938, in excess of the cotton acreage allotment for the farm.

E. Payment shall not be delivered to any person by or for whom an application is made unless such person has certified that he has not knowingly planted, or caused or permitted the planting of, cotton, or contributed to the planting of cotton, in 1938 on any farm in which he has an interest as a cotton producer, in excess of the cotton acreage allotment for the farm, and agreed in such certificate to refund the payment forthwith upon demand in case it is subsequently found that he has failed to comply with the cotton acreage allotment for the farm. Such certificate shall be on a prescribed form or on the check issued in payment. It shall be the duty of every community and county committeeman, County Agent, and officer, member, or employee of the County Association to report promptly to the County Committee any case coming to his knowledge where there has been any such failure to comply which has not previously been reported to it. The County Committee shall report such cases immediately to the State Committee, and it shall be the duty of the State Committee to make the aforesaid demand in every case in which it finds that there has been such failure,

and, if the refund is not made within thirty calendar days from the date of the demand, to report the case forthwith to the Regional Director.

PART VI. MISCELLANEOUS

SEC. 61. **Appeals.**—Any person who considers himself aggrieved by any recommendation or determination of the County Committee with respect to any farm in which he has an interest may, within fifteen days after notice thereof is forwarded to or available to him, request the County Committee in writing to reconsider its recommendation or determination with respect to any of the following matters:

(a) eligibility to receive payment or
(b) any other matter affecting the right to or the amount of his payment with respect to the farm.

The procedure respecting appeals under this section shall be the same as under the appeals provisions in the 1938 Agricultural Conservation Program applicable in the Region in which the appeal arises.

SEC. 62. **Forms and Instructions.**—The Agricultural Adjustment Administration shall prescribe such forms and issue such instructions as may be necessary to carry out the 1937 Cotton Price Adjustment Payment Plan in conformity with these regulations.

SEC. 63. **Signatures and Authorizations.**—The provisions of ACP–16 "Instructions on Signatures and Authorizations in Connection with the Execution of Applications for Payment or Related Papers under the Agricultural Conservation Program" are hereby made a part of these regulations.

PART VII. DEFINITIONS

As used herein and in all forms and documents relating to the 1937 Cotton Price Adjustment Payment Plan, unless the context or subject matter otherwise requires, the term—

SECRETARY OF AGRICULTURE means the Secretary of Agriculture of the United States.

1937 PROGRAM means the 1937 Agricultural Conservation Program formulated pursuant to the authority vested in the Secretary of Agriculture under section 8 of the Soil Conservation and Domestic Allotment Act, as amended, and 1938 PROGRAM means the 1938 Agricultural Conservation Program so formulated under said law.

ACT means the item entitled "Price Adjustment Payment to Cotton Producers" contained in the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937 (Public Law No. 354, 75th Congress, 50 Stat. 762), as affected by Section 381 (a) of the Agricultural Adjustment Act of 1938, approved February 16, 1938 (Public Law No. 430, 75th Congress, 52 Stat. 67), as amended by Section 12 of the Act of April 7, 1938 (Public Law No. 470, 75th Congress, 52 Stat. 202), and as affected by the next to the last proviso to the item entitled "Conservation and Use of Agricultural Land Resources, Department of Agriculture", contained in the Department of Agriculture Appropriation Act, 1939, approved June 16, 1938 (Public Law No. 644, 75th Congress, 3d Session; 52 Stat. 744).

OFFICIAL AVERAGE BASE PRICE or BASE PRICE means the official average price of 7/8-inch middling cotton on the ten designated spot cotton markets (Norfolk, Augusta, Savannah, Montgomery, Memphis, New Orleans, Little Rock, Houston, Dallas, and Galveston) announced for the days the markets were open in the period January 1 to September 10, 1937, by the Bureau of Agricultural Economics of the United States Department of Agriculture.

COUNTY AGRICULTURAL CONSERVATION ASSOCIATION or COUNTY ASSOCIATION means the association of producers in the county authorized by the Secretary of Agriculture to assist in the administration of the 1938 program.

STATE AGRICULTURAL CONSERVATION COMMITTEE or STATE COMMITTEE means the group of persons designated to assist the Secretary of Agriculture in the administration of the 1938 program in the State in which such committee is selected to act.

COUNTY AGRICULTURAL CONSERVATION COMMITTEE or COUNTY COMMITTEE means the group of persons elected to assist in the administration of the 1938 program in the county in which such committee is elected to act.

COMMUNITY AGRICULTURAL CONSERVATION COMMITTEE or COMMUNITY COMMITTEE means the group of persons elected to assist in the administration of the 1938 program in the community within the county in which such committee is elected to act.

PERSON means an individual, firm, partnership, association, corporation, estate, or trust and wherever applicable a State, a political subdivision of a State, or any agency thereof.

OWNER means a person who (1) owns land which is not rented to another for cash or a fixed commodity payment, or (2) rents land from another for cash or a fixed commodity payment, or (3) is purchasing land on installments of cash or one or more commodities.

OPERATOR means a person who as owner is operating a farm and is entitled to receive all or a portion of the cotton crop produced thereon or of the proceeds thereof, or who as share-tenant is operating a whole farm and is entitled to receive a portion of the cotton crop produced thereon or of the proceeds thereof.

STANDING-RENT TENANT or FIXED-RENT TENANT means a person who rents land from another for a fixed commodity payment.

SHARE-TENANT means a person other than an owner or sharecropper who is working a farm in whole or in part and who is entitled to receive a portion of the cotton crop produced thereon or of the proceeds thereof.

SHARECROPPER means a person who works a producer unit under the supervision of an operator and is entitled to receive for his labor a share of the cotton crop produced thereon or of the proceeds thereof.

COTTON PRODUCER means a person who is entitled to a share of the cotton crop, produced on the farm in 1937, or the proceeds thereof, as owner-operator, landlord of a share-tenant or sharecropper, cash tenant, standing-rent tenant, fixed-rent tenant, share-tenant, or sharecropper. The term also includes a wagehand (sometimes called a cropper) who as a laborer on a farm instead of receiv-

ing daily or other cash wages for his labor receives either all the cotton produced by him or another on an agreed or specified acreage or all the cotton produced on an agreed or specified portion of the acreage cultivated by him or another.

COTTON ACREAGE ALLOTMENT means the cotton acreage allotment established for the farm under the 1938 Agricultural Conservation Program formulated pursuant to the Soil Conservation and Domestic Allotment Act, as amended, or under section 344 of the Agricultural Adjustment Act of 1938, as amended, whichever is the lesser.

PAYMENT means the payment made or which may be made under the 1937 Cotton Price Adjustment Payment Plan.

FARM means the land which was or could have been covered by a single work sheet under the 1937 program, except that in the East Central and Southern Regions, if an application for payment was submitted under the 1937 program, the land covered by such an application for payment may be considered to be a farm, and in the North Central and Western Regions the land included in a farming unit may be considered to be a farm.

Done at Washington, D. C., this 13th day of July, 1938. Witness my hand and the seal of the Department of Agriculture.

H A Wallace

Secretary of Agriculture.

INSTRUCTIONS

Form CAP–103, Revised, "Application for Payment—1937 Cotton Price Adjustment Plan"; Form CAP–103A, Revised, "Continuation Sheet—Application for Payment—1937 Cotton Price Adjustment Payment Plan"; Form CAP–103B, "Continuation Sheet—Additional Sales—Farm Record of Cotton Produced in 1937—1937 Cotton Price Adjustment Payment Plan", and Form CAP–104, "1938 Operator's Certificate of Compliance" shall be executed in triplicate in the manner hereinafter prescribed and all three copies shall be filed with the Secretary of the County Agricultural Conservation Association of the county in which the farm is located. These forms are respectively referred to hereinafter as 103, 103A, 103B, and 104.

All forms should be filled out with typewriter or indelible pencil. All signatures must be original handwritten signatures. Form ACP–16, "Instructions on Signatures and Authorizations in Connection with the Execution of Applications for Payment or Related Papers under the Agricultural Conservation Programs", shall be followed in the execution of forms with respect to signatures in connection with the 1937 Cotton Price Adjustment Payment Plan.

Only one application, except an adjustment application or a supplemental application, should be submitted for a farm and such application should cover all the farm as operated in 1937 (see definition of farm in Part VII of the "Regulations Pertaining to 1937 Cotton Price Adjustment Payment Plan", hereinafter referred to as the "regulations").

IDENTIFICATION OF FORMS

In the upper right corner of 103, 103A, and 103B enter the State and county code number and the serial number of the application for cotton price adjustment payment.

In the Southern and East Central Regions the serial number shall be the serial number of the application for payment submitted for the farm under the 1937 Agricultural Conservation Program, if an application for payment was submitted, or, if no application was submitted, the serial number shall be the same as that of the work sheet for 1937.

In the North Central and Western Regions a new series of serial numbers beginning with the number "1" in each county shall be used.

Enter on the second line in the upper right corner of 103 and 103A the work sheet serial number(s) of the work sheet(s) executed for the farm as it was operated in 1937.

On 103, in the appropriate spaces in the upper right corner enter the number of sets of 103A, the number of sets of 103B, and the number of sets of 104 which are a part of and are attached to the 103; thus, if only one set of 103A is used, enter the number 1; if two sets of 104 are used, enter the number 2; etc.

SECTION I OF FORM CAP–103, REVISED

Section I is to be signed by the 1937 operator of the farm identified in Section II of 103 and by the work sheet number(s) shown in the

upper right corner of the form, except that, if such operator fails or refuses to sign the form, the County Committee shall designate another person who has sufficient knowledge of the 1937 operations of the farm to sign in Section I. The person so designated need not necessarily be shown in column A, Section IV, as a person entitled to payment with respect to cotton produced on the farm in 1937, but any such person so designated must be acquainted with the facts necessary to be shown on the application, which facts in most cases are available in the county office; that is, cotton sales certificates and buyer's sale receipts, data showing the average actual yield of lint cotton on the farm in 1937, and the cotton acreage shares of the producers on the farm in 1937.

No form of notice of designation will be printed nor shall such a notice be attached to 103, since the execution of Section V of the form by a county committeeman on behalf of the County Committee confirms the designation which may have been made by it.

SECTION II OF FORM CAP–103, REVISED

The information to be entered in this section should be taken from the 1937 work sheet(s) covering the farm.

In the Southern and East Central Regions if the land was covered by an application for payment under the 1937 program and such application included land covered by two or more work sheets, enter the location or description applicable to all such land. If all such land cannot be described in the available space because the tracts are not contiguous or are not in the same locality, enter the description of the principal tract. The legal land description is preferred where applicable and may be abbreviated to conform to available space.

SECTION III OF FORM CAP–103, REVISED

In line 1 enter the number of acres in the 1937 cotton soil-depleting base for the farm.

In line 2 enter the yield of cotton per acre designated for the farm in 1937 in accordance with section 4 of the regulations.

In line 3 enter the product obtained by multiplying the entry in line 1 by the entry in line 2.

If the land covered by the application was covered by two or more work sheets in 1937, and the same land is covered by one 103, enter in line 1 the sum of the 1937 cotton soil-depleting base acreages shown on all such work sheets. Enter in line 3 the sum of the products obtained by multiplying the 1937 cotton soil-depleting base acreages shown on each of the work sheets by the respective yield per acre. Enter in line 2 the weighted average yield per acre which is obtained by dividing the entry in line 3 by the entry in line 1.

SECTION IV OF FORM CAP–103, REVISED, INCLUDING FORM CAP–103A, REVISED, AND FORM CAP–103B

In these instructions references to columns A through L shall, wherever applicable, also include columns A through L of 103A as well as 103. References to columns C through G of 103 shall include columns B through N of 103B.

Wherever possible the entries in columns A through I should be made in the county office with the assistance of the 1937 operator or the person designated to submit the application for payment. Make no entries in columns J through L.

A. **Column A.**—In the heading of column A enter the name of the 1938 operator of the farm identified in Section II. If the farm is operated as two or more farms in 1938 or a part of the farm is in 1938 made a part of another farm, enter the names of every 1938 operator whose farm contains a part of the 1937 farm identified in Section II. If there are more than two persons who are operating farms in 1938 containing parts of the farm as it was operated in 1937, the names of such additional 1938 operators may be entered in the space at the heading of column A of 103A, if such form is used, but if a 103A is not used a statement in triplicate setting forth the names of such additional operators should be attached to 103.

The name and the present address, if known, of each person who was engaged in cotton production on the farm in 1937 shall be typed or printed in column A. If there were more than five cotton producers on the farm in 1937, the names and present addresses of such additional producers are to be recorded on 103A. The names and present addresses of all cotton producers on the farm in 1937 must be shown in column A, whether or not all such producers are entitled to receive payment.

Where a person who was engaged in cotton production in 1937 on the farm abandoned or lost control of the 1937 cotton crop prior to harvest, enter the name of the producer entitled to the cotton price adjustment payment in accordance with the provisions of subsection A of section 41 of the regulations.

In the event the producer is dead or incompetent, enter the name of the appropriate person entitled to the payment which otherwise would have been made to such producer in accordance with the appropriate provisions of subsections A, D, and E of section 41 of the regulations. Where the appropriate person entitled to payment is not known to the County Committee or it has been unable to ascertain the proper person entitled to such payment within a reasonable time (due regard being given to delay which might be caused in making payment to other producers on the farm), the name of the deceased or incompetent followed by the word "deceased" or "incompetent", as the case may be, should be entered in column A, in which case the application may be forwarded to the State office, if otherwise complete, and an adjustment application may later be submitted when the name of the person entitled to the payment which might otherwise have been made to the deceased or incompetent has been ascertained. In entering the names of the persons entitled to payment in accordance with the provisions of section 41 of the regulations, the following illustrative styles should be observed:

1. An executor:
   John H. Doe, Executor of the Estate of Richard Roe, Deceased.
2. An administrator:
   John H. Doe, Administrator of the Estate of Richard Roe, Deceased.
3. A guardian or committee:

John H. Doe, Guardian (or Committee) of the Estate of Harry Roe, Incompetent (or Minor).

4. A receiver or liquidator:
   John H. Doe, Receiver (or Liquidator) of ABC Company, Inc.
5. All the heirs of a deceased producer:
   John H. Doe, Kate Roe, and Mrs. A. E. Smith, all the heirs of Richard Roe, Deceased.

The name of an agent should not be shown in Column A, but the name of the principal shall be shown in every such case. Where a partnership is entitled to payment, the names of the partners or the name of the partnership, together with an indication that they are partners or it is a partnership, are to be entered in column A, as, for example, "John H. Doe and Richard Roe, Partners", or the firm name of the partnership, such as "Doe and Roe, A Partnership".

Where a corporation is entitled to payment, the name of the corporation is to be shown, thus: ABC Company, Inc.

The names of the cotton producers on the farm in 1937 may be obtained from the following sources:

1. The application for payment submitted under the 1937 Agricultural Conservation Program.
2. Section II of cotton sale certificates covering sales of cotton produced on the farm.
3. Statements of the 1937 operator setting forth the interest of each person in cotton sold and covered by a buyer's sale receipt.
4. The 1937 operator or the person designated to submit the application for payment, or any other person having sufficient knowledge of the farming operations in 1937.

The name of each cotton producer on the farm should appear only once in column A of the application, unless such person is also entitled to payment in a representative or fiduciary capacity in accordance with subsections A, D, and E of section 41 of the regulations.

B. **Column B.**—This column is for the use of the County Committee and entries therein should be made only by a committeeman or person acting for the committee.

If the County Committee knows that any producer shown in column A has knowingly planted, or caused or permitted the planting of, cotton on any farm in 1938 in excess of the cotton acreage allotment for the farm in which such producer has an interest in the capacity in which he is shown in column A, the committee or a person acting for the committee shall enter the word "Out" in column B opposite such producer's name. For each producer who the County Committee has no reason to believe has knowingly planted, or caused or permitted the planting of, cotton on any farm in 1938 in excess of the farm cotton acreage allotment in the capacity in which he is shown, the space in column B opposite such producer's name should be left blank.

C. **Columns C through G.**—All cotton sale receipts and/or all cotton sale certificates (Form CAP–101) covering cotton produced on the farm in 1937 and sold prior to September 10, 1937, shall be arranged in the county office in chronological order of dates of sale,

and by grouping all receipts and certificates having the same date of sale in the same group. All certificates and/or receipts covering cotton sold prior to July 22, 1937, may be placed in one group and in such case, in the heading of column C, enter in the space provided for the date: July 21, 1937. If column C was not used to record all sales prior to July 22, 1937, beginning with the individual sale or with the group of sales having the earliest date of sale, enter such date in the space provided in the heading of column C; enter the date of the next earliest group in the space at the heading of column D; continue in this manner, using one column for each group, until the dates for all groups have been recorded. 103B shall be used to record additional groups for which sufficient columns are not provided on 103.

The spaces at the heading of columns C through G provided for entering the rate and the spaces on the dotted lines marked "$" in the columns must be left blank.

Enter in these columns for each producer the number of pounds which shall be taken from Section II of cotton sale certificates and/or from statements signed by the 1937 operator showing the interest of each producer in the cotton sold prior to September 10, 1937, submitted with buyer's sale receipts filed in the office of the Secretary of the County Agricultural Conservation Association. In the event two or more such certificates and/or receipts bear the same date of sale, the total poundage representing each producer's respective share in the cotton sold on such date shall be entered in the appropriate column opposite the respective producer's name appearing in column A.

Where the cotton produced on the farm in 1937 is sold on the plantation-pool basis, that is, the proceeds of the 1937 crop were divided among the producers on the farm according to their respective interests, it shall not be necessary to show each producer's interest in the sales made prior to September 10, 1937, but all such cotton which was sold on any particular day prior to September 10, 1937, shall be entered in the appropriate column on line 1 of Section IV of 103. In such cases, the words "Cotton sold on plantation-pool basis" or other such appropriate wording must be written in the space below the sales entries and must be initialed by a member of the County Committee.

D. **Column H.**—Enter in column H for each producer the sum of the poundage entries in columns C through G, including columns B through N of 103B, opposite such producer's name. If no entries have been made opposite a producer's name, do not make any entry for such producer in column H.

Where the cotton recorded in columns C through G was sold on a plantation-pool basis and all such cotton has been recorded on line 1, enter the sum of the entries in column H, line 1.

E. **Column I: Total 1937 Farm Production.**—The entry to be made in this space in the heading of column I shall be the total amount of cotton, expressed in pounds of lint, which the County Committee determines was produced on the farm in 1937 (see section 32 of the regulations).

F. **Column I: Total 1937 Cotton Acres.**—The entry to be made in this space in the heading of column I is the number of acres planted

to cotton in 1937 on the farm identified in Section II of *103* and, in most cases, can be obtained from the following sources:

SOUTHERN REGION:

(1) Item 8, column B, Section II of Form SR–108;
(2) Item 2, column B, Section VII of Form SR–109; or
(3) For Texas and Oklahoma, in the wheat and grain sorghum area, item 10, column B, Section II of Form SR–113; or
(4) For farms which were not participating in the 1937 Agricultural Conservation Program, Table I, acreage cclumn, opposite 1932 (changed to 1937 (see SRM–204)), Form SR–101; or
(5) If Form SR–101, as in (4) above, is not available, the 1937 operator of the farm or other person having sufficient knowledge of the 1937 operations of the farm.

EAST CENTRAL REGION:

(1) The 1937 Agricultural Conservation Program application for payment, if such an application was executed. (The 1937 acreage shares of producers can also be obtained from this source.)
(2) If a 1937 Agricultural Conservation Program application for payment was *not* executed, from the following sources:
  (a) Form ECR–114 or 115 if such forms were executed in 1937. (The 1937 acreage shares of producers can be determined from ECR–114.)
  (b) Form ECR–123 or the Cotton Data Sheet for farms covered by *new* 1938 work sheets and other farms for which a 1937 Agricultural Conservation Program application for payment was not executed and for which Form ECR–114 or 115 is not available. For such farms, the acreage shares of the producers may be obtained from the 1937 operator or other person having sufficient knowledge of the 1937 operations of the farm.

NORTH CENTRAL REGION:

(1) Item 15, column (g), Section III of Form NCR–114.
(2) Column (20), NCR–209a.
(3) The 1937 operator of the farm or other person having sufficient knowledge of the 1937 operations of the farm.

WESTERN REGION:

(1) For farms participating in the 1937 Agricultural Conservation Program—Table 1, Section IV, WR–110.
(2) For farms not participating in the 1937 Agricultural Conservation Program, column 10, WR–103, Supplement 1.

G. Column I: 1937 Cotton Acreage Share.—Enter in column I for each producer, opposite his name, his share of the acreage planted to cotton on the farm in 1937 (each producer's share of the total number of acres shown in the heading of column I). (See subsection A of section 24 of the regulation.)

The entry to be made in this column for each producer may be obtained from the following sources:

SOUTHERN REGION:

(1) Column B, Section VII, lines 5 through 10 of Form SR–109 and lines 11 through 24, column B of Form SR–109, Supplement 1; or

(2) The columns headed "Acre Share to ———" under the heading of "Cotton" of Form SR–112; or

(3) For farms not participating in the 1937 Agricultural Conservation Program, the 1937 operator or other person having sufficient knowledge of the operations of the farm in 1937.

EAST CENTRAL REGION: (See paragraph F.)

NORTH CENTRAL REGION:

(1) By multiplying the entry on the total line of column (f) of the block for cotton of Section I of NCR–114a by the entry in column (i) opposite the name of each person.

(2) By multiplying the acreage entries in column (a), Section VIII of Form NCR–113, by the shares of the crop shown in columns (d), (e), and (f) and by adding, for each person, the applicable results thus obtained.

(3) The 1937 operator of the farm or other person having sufficient knowledge of the 1937 operations of the farm.

WESTERN REGION:

(1) For farms participating in the 1937 Agricultural Conservation Program:
   (a) WR–105 Supplement.
   (b) WR–107 (Supplement)–2.
   (c) WR–110.

(2) For farms not participating in the 1937 Agricultural Conservation Program, the 1937 operator or other person having sufficient knowledge of the operations of the farm in 1937.

The total of the entries in column I must equal the number of acres entered in the heading of column I.

The acreage entries shall be expressed to the nearest tenth of an acre; hundredths amounting to five or less shall be dropped, and hundredths amounting to more than five shall be considered a whole tenth.

H. **Columns J, K, and L.**—No entry shall be made in the county office in columns J, K, and L of Section IV of 103 or 103A. Entries in these columns shall be made in the State office in accordance with instructions to be issued by the Agricultural Adjustment Administration.

SECTION V. CERTIFICATE OF COUNTY COMMITTEE

The County Committee shall make all findings of fact and determinations required by Section V of 103 and shall see to it that the 103 and related 103A, 103B, and 104 have been properly filled out in accordance with the regulations and instructions as well as the findings of fact and determinations made by the committee. The County Committee, for every case in which it determines that a total or partial crop failure resulted on the farm in 1937 (see section 3 of the regula-

tions), shall see that the word "did" is entered in the space provided therefor in item (7) of Section V of 103.

If the County Committee is satisfied that the application has been properly executed and is accurate and complete, a member of the committee, acting for the committee, shall sign in the space provided. The committeeman signing must not be a near relative of any interested person shown in column A of Section IV of the application or have any sort of financial interest in the farm covered by the application either in 1937 or in 1938. The date the committeeman signs the application must be entered in the space provided.

The Secretary or Acting Secretary of the County Agricultural Conservation Association shall examine the application and if he finds it to be in proper form shall affix his signature and enter the date in the space provided. The County Committee may designate a person employed in the office of the Agricultural Conservation Association to perform the duty of approving applications for payment and related documents. Such designation may be made by executing in quadruplicate an authorization in writing by at least two members of the County Committee and delivering the original and one copy to the State office, handing one copy to the person so designated and retaining the other copy in the Association files. The authorization should be substantially in the following form:

"We, the undersigned members of the County Committee of _____ County, State of _____, do hereby authorize _____, now employed in the office of the County Agricultural Conservation Association as _____, to
(Title)
approve applications for payment and related papers under the 1937 Cotton Price Adjustment Payment Plan and affix his signature to such documents whenever he finds them to be in proper form within the meaning of the regulations and instructions applicable thereto. This authorization is to remain in effect while such person is employed in said office, unless sooner canceled or revoked by said committee in writing.

"Following is a specimen of the signature of said person: _____.

"If cancelation or revocation of this authorization is necessary, it will be accomplished by notifying the State office in writing that this authorization is thereby canceled or revoked and by filing in the records of the office a copy of such notice and handing a copy to such person, if he is then employed in said office.

Dated _____, 193__.

Signatures of County Committeemen:
1. _____
2. _____
3. _____"

FORM CAP–104

If the County Committee knows that any producer shown in column A of 103 is the operator of any cotton farm in 1938 and Section I of the application for the farm on which he is shown in column A is not executed by him, 104 must be executed by him in triplicate and all three copies filed with the application on which he is shown in column

A. If such producer fails or refuses to execute and file a 104, the County Committee shall execute in triplicate a statement setting forth the name of the producer and stating that he is an operator of a cotton farm in 1938 and has failed or refused to execute a 104 and payment to him should therefore be disallowed. The statement shall be signed by a county committeeman for the County Committee and two copies shall be attached to the 103 on which the producer is shown in column A, and one copy shall be retained in the county office together with the copy of 103 to be retained in the county office.

In the space in the upper right corner of 104 enter the State and county code followed by the serial number, which should be the same number as shown in the upper right corner of 103 to which it is to be attached.

TRANSMITTING FORMS TO STATE OFFICE

The original and one copy of each application for payment (103, 103A, 103B, and 104) shall be transmitted to the State office.

Cotton Sale Certificates (Form CAP–101) and buyer's sale receipts shall not be forwarded to the State office with the applications, but such certificates and receipts shall remain on file in the office of the Secretary of the County Agricultural Conservation Association.

Southern Region.—For the Southern Region, Form SR–115, "Transmittal Sheet", shall be used for transmitting 103 and related papers required to be forwarded to the State office. At the top of Form SR–115 type or print the words "1937 Cotton Price Adjustment Payment Plan" and in the heading of the columns for use in listing names of operators insert in lieu of "Name of Operator" the words "Name of Applicant". Enter in the column for each 103 the name of the person who signed Section I of 103. The original of Form SR–115 should be mailed to the State office under separate cover, two copies placed in the shipment of applications, and one copy retained in the county office. Application serial numbers prefixed by the same letter, if that system of numbering is used, should be listed together, but separate sheets are not required for different prefix letters.

East Central Region.—In the East Central Region, ECR–NER Office Form No. 12, "Transmittal Sheet", will be used in transmitting applications for the cotton price adjustment payment in the same manner as for agricultural conservation program applications with the following changes and additions:

In the space for "Kind of Form" enter "1937 CAP Applications". In the space for "Form Nos." enter "CAP–103, Revised". In the space for "Serial No." enter the serial number of the cotton price adjustment payment application. Enter the name of the person signing 103 as applicant in the space for "Name of Producer". In the "Remarks" column enter the number of 103A, 103B, and 104 which accompany 103, as follows: "2–103A, Revised, 1–103B, 1–104"; such example means that two original 103A, one original 103B, and one original 104 are attached to the original 103. The county office will retain one copy of each 103, 103A, 103B, and 104 which is executed. The original and one copy of each form which is executed will be sent to the State office.

North Central Region.—For the North Central Region Form NCR–124, "Transmittal Sheet for Transmittal of Applications for Payment to State office", shall be prepared in triplicate and shall be used for transmitting 103 and related papers to the State office. At the top of Form NCR–124 type or print the words "1937 Cotton Price Adjustment Payment Plan". Enter at the top of the form the State and county code, the name of the State, the name of the county, and the sheet number. The number "1" shall be assigned to the first sheet prepared and subsequent sheets thereof shall be numbered consecutively. Enter in the first space on the line beneath the name of the State the number of sheets of NCR–124 being transmitted. Enter in the second space the number of the first sheet being transmitted and enter in the third space the number of the last sheet being transmitted. Arrange the applications for payment which are ready for transmittal in serial number order and list the serial numbers in Section I of NCR–124. Enter in the space in the last line of Section I of each sheet of NCR–124 the total number of serial numbers listed in such Section I. Not more than 50 serial numbers shall be listed on one sheet of NCR–124. The original and one copy of each sheet of NCR–124 should be forwarded to the State office with the 103. The remaining copy of each sheet of NCR–124 should be retained in the county office.

Western Region.—Form WR–122, "Transmittal Sheet for 1937 Applications for Payment", shall be used in the Western Region for transmitting 103 and related forms and documents to the State office. At the top of Form WR–122, type or print the words "1937 Cotton Price Adjustment Payment Plan."

In column (a) enter the application serial number as indicated in the upper right corner of 103. No entries will be made in column (b). In column (c) enter the name of the applicant, that is, the name of the person signing Section I of 103. In the heading of column (d) strike out "WR–110" and enter in lieu thereof "CAP–103, Revised". In the heading of column (e) strike out "WR–104" and enter in lieu thereof "CAP–103A, Revised." In the heading of column (f) strike out "WR–105" and insert in lieu thereof "CAP–103B". In the heading of column (g) strike out "WR–105, Supplement" and insert in lieu thereof "CAP–104". Columns (h) through (j) may be adapted to indicate that related documents are being transmitted.

Form WR–122 is to be prepared in quadruplicate, the original copy to be mailed to the State office under separate cover, two copies placed in the shipment of 103 and related forms, and one copy to be retained in the county office.

Issued July 13, 1938.

H. R. Tolley

Administrator,
Agricultural Adjustment Administration.

U. S. GOVERNMENT PRINTING OFFICE: 1938

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Form No. C. A. P. 2
U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Division of Cotton
Form approved by Comptroller General, U. S.
November 13, 1935

Stamp State and County Code No. and enter 1935 Bankhead Application Serial No. below

---

Bankhead Allotment to Farm ---------- pounds. 1935 Production of Lint Cotton [1] ---------- pounds.

(This is the ---------- Adjustment Application for this farm. This form will be executed in triplicate. The original and one copy will be delivered to the County Agent's office and one copy will be retained by the producer making application.)
(Insert first, second, etc., or final)

APPLICATION FOR COTTON PRICE ADJUSTMENT PAYMENT AND AGREEMENT TO COOPERATE IN THE 1936 COTTON ADJUSTMENT PROGRAM

The undersigned, ----------,
(Type or print name above—same as signature)

post-office address ---------- ----------,
(Rural route number) (Street address or box number)

----------, ----------, make(s) application for a Cotton Price Adjustment Payment on cotton produced by me (us).
(Post office) (State)

I. Cotton Sold and Signature of Sellers

In order to receive this payment I (we) hereby certify to the following facts and make the following agreements:

1. I (we) have sold—

---------- bales of cotton having a total weight of ---------- pounds.

The amount of cotton sold is substantiated by attached Cotton Sale Certificate(s), Form No. C. A. P. 1.

Number of Cotton Sale Certificate(s) attached ----------

2. This cotton was sold as follows and the undersigned represents that he ----------[2] the sole person entitled, under the rule for distribution (set forth in Form No. C. A. P. 3), to share in the Cotton Price Adjustment Payment which is found to be payable under this application:

Name of Purchaser	Address	Date Sold	Pounds Sold
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

3. All of this cotton was picked on my (our) farm from the 1935 crop. (Paragraph 4 applies only in case one or more persons other than the producer are entitled to share in the payments.)

4. In consideration of the premises and of receiving the check for the amount of the Cotton Price Adjustment Payment payable hereunder the undersigned hereby agrees to and obligates himself to *pay*, to each producer, share tenant, share cropper, or other person who, because the cotton sold and covered hereby came from a 1935 cotton crop as to which he was entitled to share in either such crop or its proceeds, is entitled to a share in such payment, such sum as he is entitled to receive in accordance with the rule for distribution of such payment set forth in Form No. C. A. P. 3. This provision of this application shall not be construed as establishing a right in any such producer, share tenant, share cropper, or other person as against the Secretary of Agriculture, the Commodity Credit Corporation, or the United States or any officer or agency thereof but is intended to obligate the undersigned to *pay* to each such producer, share tenant, share cropper, or other person his proportionate share of the Cotton Price Adjustment Payment which is made to the undersigned pursuant to this application, which proportionate share shall be determined in accordance with said rule for distribution. The undersigned hereby undertakes to execute Section I of Form No. C. A. P. 3 at the time the aforesaid check is delivered to the undersigned and Section II of said form within 30 days thereafter and hereby agrees to make any refund required under, and consents to any deduction made pursuant to, paragraph 4 of the Rule for Distribution, Form No. C. A. P. 3.

[1] This item will be filled in only in case of *final* application for a farm.
[2] Insert ***is*** or ***is not***, whichever is the fact.

In consideration of this payment from the Secretary of Agriculture the undersigned (and in case this document is signed by or for a partnership or by co-owners, each member of the partnership or each co-owner) agrees to participate jointly and/or severally in the Cotton Adjustment Program formulated for the year 1936 under the Agricultural Adjustment Act, as amended. The undersigned represents that he has informed each other person who will receive a portion of such payment that each such person who receives his pro rata share of such payment will be required to agree to participate in said program for 1936.

The undersigned producer hereby certifies that he is the same person (or his successor in interest) who [3]

---

signed the Bankhead Application referred to above by serial number and is entitled to receive this Cotton Price Adjustment Payment check.

[ANY INTENTIONAL MISREPRESENTATION OF FACT MADE IN THIS APPLICATION FOR THE PURPOSE OF DEFRAUDING THE UNITED STATES WILL BE SUBJECT TO THE CRIMINAL PROVISIONS OF THE UNITED STATES CODE.]

---, 193 . ---
(Date) (Signature) as producer.

WITNESS: INDICATE STATUS [4] { Owns / Rents for cash / Pays standing rent / Operates in enti... / tenant or cr...

(Signature)

II. CERTIFICATION BY COUNTY COMMITTEE AND APPROVAL BY COUNTY AGENT

WE HEREBY CERTIFY that we have considered the Cotton Sale Certificate(s) which constitute the b... for Cotton Price Adjustment Payment and Agreement to Cooperate in the 1936 Cotton Adjustment Pr... end that the Secretary of Agriculture make payment to the person(s) named herein on the basis of the facts s... in. We further certify that **in 1935** there ---[5] been compliance with a "1934 and 1935 Cotton Acreage Reduction Contract", providing for a cotton acreage reduction for 1935, on the farm in respect of which this application is made.

---, 193 . *(Signed)*[6] ---
(Date)

Approved: ---

County Agent.

County Committee.

DO NOT WRITE IN SPACE BELOW

Date Sold	Pounds	Average Spot Price	Difference per Pound Payable	Amount Payable
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
TOTAL		X X X X X X X	X X X X X X X	

[3] In case the undersigned has been designated by the County Committee under paragraph 4 of the Rule for Distribution, Form No. C. A. P. 3, insert at this point the words "has been designated by the County Committee pursuant to paragraph 4 of the Rule for Distribution to make this application in place of the person who" and strike out "(or his successor in interest)".

[4] Strike out word or words not applicable.

[5] Insert **has** or **has not**, whichever is the fact. In case there was no contract for 1935 covering the farm, insert **has not**.

[6] At least two disinterested members of the County Committee must sign.

U. S. GOVERNMENT PRINTING OFFICE S—9384

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Form No. C. A. P. 2-A
U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Division of Cotton

Stamp State and County Code No. and enter 1935 Bankhead Application Serial No. below

---

CONTINUATION SHEET

FOR TABLE UNDER SECTION I

(To be used where Cotton Sales Certificates exceed the number of spaces provided for on Form No. C. A. P. 2)

(This form should be securely stapled to Form No. C. A. P. 2)

	NAME OF PURCHASER	ADDRESS	DATE SOLD	POUNDS SOLD
(11)				
(12)				
(13)				
(14)				
(15)				
(16)				
(17)				
(18)				
(19)				
(20)				
(21)				
(22)				
(23)				
(24)				
(25)				
(26)				
(27)				
(28)				
(29)				

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CONTINUATION SHEET—Continued

NAME OF PURCHASER	ADDRESS	DATE SOLD	POUNDS SOLD
(30)			
(31)			
(32)			
(33)			
(34)			
(35)			
(36)			
(37)			
(38)			
(39)			
(40)			
(41)			
(42)			
(43)			
(44)			
(45)			
(46)			
(47)			
(48)			
(49)			
(50)			
(51)			
(52)			
(53)			
(54)			

U.S. GOVERNMENT PRINTING OFFICE 8—9385